

CONFLICT VULNERABILITY ASSESSMENT

I. INTRODUCTION AND METHODOLOGY

Unlike many of its neighbors in South East Europe, Bulgaria has managed to avoid severe ethnic and civil unrest. USAID has recognized, however, that although Bulgaria is a multiethnic country with a history of coexistence among different ethnic groups, not all groups have integrated into society. To address these increasingly worrisome trends, USAID initiated a program, implemented by Partners Bulgaria Foundation, to address increasing marginalization of Roma, focusing on the city of Lom. The hope is to build sustainable structures to promote inter-ethnic cooperation and conciliation, and increase the effectiveness of minority groups and others working with them.

In light of developments in Macedonia and the situation of the region as a whole, USAID Bulgaria became interested in whether and how Bulgaria might be vulnerable to intra-state or inter-state conflict. Accordingly, USAID-Bulgaria requested Conflict Management Group (CMG) and the Center for the Study of Democracy (CSD) to analyze past, current, and future conflict behavior, stakeholders and issues in Bulgaria, as well as identify key strategic issues and programmatic interventions that could mitigate or prevent conflict.

The main objective of the conflict vulnerability assessment is to identify current and potential sources of conflict and instability in the country. The most specific tasks of the assessment are to identify:

- (a) Past, actual and potential conflicts in Bulgaria;
- (b) Regional dimensions of conflict vulnerability;
- (c) Key conflict players and at-risk-populations;
- (d) Conflicts root causes and immediate factors;
- (e) Conflict vulnerability monitoring indicators;
- (f) Factors that have so far prevented a major conflict in Bulgaria.

The research was conducted in four stages:

1. Historical Review and Issue Identification. A historical review of conflicts and disputes in Bulgaria since 1989 was conducted by CSD and CMG, including an analysis of the causes, the groups involved, evolution of the conflicts, result and potential for renewal. Based on this review, the areas for further research were defined.
2. Methodology Elaboration. A methodology (set of questionnaires) was developed jointly by CMG and CSD to study each potential conflict area. The questionnaires explored the causes and drivers of actual and potential conflicts, the main stakeholders involved, root factors and immediate causes, potential solutions. Background research on each of the areas identified was also conducted, and specific groups for interviewing were identified.
3. Field Interviews. CSD conducted about 100 in-depth interviews in selected areas. CMG Researchers worked with CSD staff and carried out additional 30 interviews with different

groups of respondents. A variety of interviews with different stakeholders were conducted – Members of Parliament, national and local government officials, labor organizations and Trade Unions, civil society institutions (NGOs), religious organizations, intellectuals and academics, journalists, business associations, vulnerable groups representatives (members of the Turkish, Roma, Bulgarian Muslims communities, unemployed, etc.). The fieldwork details and full list of completed interviews with respondents and respective institutions/organizations is presented in Appendix 1.

4. Analysis and Report Writing. CSD and CMG worked together to analyze the interview data as well as the information obtained through reviews of domestic and international official documentation and unofficial literature, and comparative information available to CMG and CSD on approaches and solutions in other countries. The final report was prepared including an assessment of conflict vulnerability, factors that have enabled Bulgaria to avoid serious escalation of conflict to date, and recommendations to USAID on programming opportunities.

Unfortunately, there have, to date, been no specialized systematic studies of the country's development in terms of the arising conflicts. That is why some preliminary remarks on the research approach adopted are necessary. Even though each conflict in this country emerges under some specific form that allows us to define it as political, social, ethnic, religious, labor, etc., in most cases there appears to be intertwinement of particular factors – political, economic, social, ethnic, religious, cultural. It is not uncommon for a conflict situation to arise as a result of tension in a given area, then extend its scope as the conflict unfolds and ultimately the consequences of the successful or unsuccessful resolution of the problem may affect spheres or persons that were not at all implicated in the initial problem situation.

Despite the conditional nature of such a division, the following types of conflicts were introduced for the purpose of this analysis:

1. **Political conflicts.** These conflicts are connected with the struggle for the acquisition and retention of political power and influence. They arise in connection with the exercise of legislative, executive and judiciary power. Wide strata of the population, state institutions (Parliament, government, judiciary system, local government), legitimate political subjects (political parties, movements, coalitions, pressure groups), informal lobbyist circles etc. are involved in these conflicts.
2. **Economic/Industrial conflicts.** These conflicts ensue predominantly from the juxtaposition of heterogeneous economic interests and are connected to the distribution of economic resources. Parties to these conflicts are state institutions with economic functions and with the power to dispose of economic resources, local and foreign business organizations, trade unions, professional and trade associations etc.
3. **Social Conflicts.** These conflicts are based upon the quantitative and qualitative changes in the socio-stratification system of Bulgarian society. They arise in connection with income distribution, consumption levels, access to social services, living standard dynamics, the social status of various groups etc. They involve predominantly representatives of vulnerable social groups and those at risk and in unequal social position.
4. **Ethnic/Religious Conflicts.** These conflicts concern the relationships between different ethnic/religious groups in Bulgarian society. They involve the representatives of the ethnic

Bulgarian majority, minority ethnic/religious groups (Turks, Roma, Bulgarian Muslims, persons with Macedonian self-awareness, the Bulgarian Orthodox Church, Protestant Communities, etc.)

5. **Criminal/Corruption Conflicts.** Those conflicts arise in connection with the perpetration of criminal/corruption activities leading to social tension. They involve organized crime groups, unorganized (street) crime perpetrators, legislative, executive and judiciary institutions involved in the fight against crime.
6. **International Conflicts.** They are connected to international relations and could have violent (military) and political (peaceful) character. They involve Southeastern European countries, world superpowers (USA, Russia, the European Union), international organizations, terrorist groups, etc.

In the present analysis those different types of conflicts are analysed both as relatively independent phenomena and from the point of view of their interconnectedness.

II. PAST, ACTUAL, AND POTENTIAL CONFLICTS

This section aims to present chronologically the occurrence, evolution, and some characteristics of the gravest conflicts in Bulgaria for the period 1989-2002. It also briefly outlines the political and socio-economic context in which these conflicts unfolded. It does not have any theoretical claims and is rather of a descriptive nature.

Throughout the period in this country there have only been isolated instances of mass violence. It should be noted that so far all the main conflicts have been addressed by political means. All too often the periods of intense confrontation are marked by various interconnected conflicts at different stages of development and of varying intensity.

A. GENERAL OVERVIEW OF THE CONFLICTS IN THE PERIOD 1989-2001

1. The period up to November 1989: Expulsion of the Turkish Population and Political Crisis

Unlike in the other East-European countries, in Bulgaria there have been no major open conflicts for nearly 40 years. According to the political observers this is largely accounted for by economic reasons. The country enjoyed considerable privileges granted by the Soviet Union (cheap raw materials, advantageous loans, assistance in paying off debt to Western banks) owing to its policy of unswerving loyalty. It is noteworthy that throughout the period of communist rule in this country there were not any serious dissident movements. Similar to the other Balkan countries governed by communist parties, the political model in Bulgaria was characterized by an authoritarian regime instituted by the Communist party Secretary General. What distinguished Bulgaria was the fact that Todor Zhivkov was the only one of the Balkan heads of state who did not aspire for independence from the Soviet Union.

After the change of the names of the Muslim population (Bulgarian Muslims and Turks) in 1984, serious tension built up in the regions with mixed population (the former districts of Kurdjali, Haskovo, Razgrad, Shumen, Silistra, and parts of the Bourgas area). Local clandestine organizations were created, as well as terrorist organizations, which carried out several terrorist acts with a death toll of about 30 civilians. The Turkish special services actively sought to control the clandestine organizations in order to exert pressure over Zhivkov's regime without resorting to the most extreme forms of violence.

At the Vienna summit of the countries party to the Helsinki Treaty in January 1989 there were statements condemning the conduct of the Bulgarian authorities. Following this expression of international support, Bulgarian Turks decided to pressure Zhivkov's regime through public demonstrations and a series of hunger strikes. The organized strikes and protest rallies drove the police to use firearms, and 7 people were killed as a result. The situation in Northeastern Bulgaria was becoming ever more volatile. Todor Zhivkov and the directors of the national security bodies decided that in order to avoid the threat of a mass civil conflict it was necessary to resettle the leaders of the Turkish population. The first resettlement campaign took place in March 1989. As a result the protests grew chaotic and the forcible resettlement came to be accompanied by voluntary migration. This was the outset of the period of frenzied mass departure. In some of the mixed regions, in the period April-August 1989, up to 2/3 of the population left Bulgaria. Throughout the period about 420,000 Bulgarian Turks moved out of the country. In August the Turkish authorities closed the border under the threat of a humanitarian crisis with the overcrowding of the refugee camps. About 15 days later a process of return to Bulgaria began. Within about two months (by October) approximately 120,000 people had come back.

A propaganda campaign carried out by the media under the control of the governing Bulgarian Communist Party (BCP) led to further escalation of tensions during the active resettlement of the Turkish population. Even though there were no extreme nationalist appeals, the campaign did foster certain nationalistic attitudes. Economically the instability came to be felt as a deficit of goods because the Turkish population was withdrawing its savings and buying certain types of goods for long-term use. Another effect was that the loss of workforce in agriculture led to the mobilization of people from other sectors of the economy (largely students and those doing their military service).

The end of the resettlement campaign coincided with the initiation of the campaign to remove Zhivkov from power, which began with a crisis of the communist governments in Central Europe. The political instability grew into a crisis with the ousting of Todor Zhivkov on November 10, 1989. The internal conflict among the circles in the BCP political leadership backing Zhivkov and his opponents developed into a new conflict between the groups supporting the new Chairman of BCP, Alexander Lilov, and the new Prime Minister, Andrey Lukanov.

2. November 1989 – 1990: Political Confrontation and the Ousting of Zhivkov

By the end of 1989 actual confrontation in the country had come to involve the already established anti-communist coalition – Union of Democratic Forces (UDF) and the BCP, which changed its name to Bulgarian Socialist Party (BSP) in April 1990. Early 1990 marked the beginning of a period of severe political confrontation in the course of which BSP gradually came to concede considerable material and financial resources to UDF – broader media access, own periodicals, a building. Then a round table was convened to negotiate the transition from soviet to democratic type of institutions.

The chief pressure instrument under the control of UDF were the public meetings in the big towns and particularly in Sofia. BSP, even though it controlled the internal security bodies, did not have at its disposal an effective means to counteract the rallies. In March 1990 an agreement was reached at the round table to hold parliamentary elections. As in most other countries of Eastern Europe, in Bulgaria the political crisis was accompanied by a severe economic crisis. In this respect the major event was the declared moratorium over the foreign debt payments on March 29, 1990.

Along with the clash between UDF and BSP, tension was also mounting in the sphere of ethnic confrontation. At the first UDF public meeting (November 18, 1989) the majority booed Rumen Vodenicharov when he called for the restoration of the names of Bulgarian Muslims. At the next rally on December 10, marking one year since the adoption of the Universal Declaration on Human Rights, many people came from other parts of country. The goal of the rally was to exert political pressure over the work and decisions of the imminent plenary session of the Central Committee of BSP. Along with the demands for radical political changes Zheliu Zhelev brought up the ethnic problem. This time the demand was received calmly. On December 23rd a rally of Bulgarian Muslims was held in Rudozem. The chief demand was to have their names restored. On December 28 Bulgarian Muslims and ethnic Turks demanding their names back organized a 24-hour “quiet vigil” in front of the National Assembly. At a meeting of the Central Committee of BSP on December 29, 1989 it was officially decided to reinstate Muslim names and overcome the consequences of the so-called “restoration process”. All acts “impairing the right to free choice of name and the freedom of denomination” were condemned.

This development provoked a retort by nationalistically minded Bulgarian citizens. On December 31, 1989 in Kurdjali representatives of BSP, Bulgarian National Agrarian Union, newly created civic associations and non-party affiliated citizens founded the National Committee for the Protection of National Interests to oppose the decision to restore Muslim names. In early 1990 a nationalist wave started in the mixed regions – Kurdjali, Haskovo, and Razgrad. It reached Sofia on January 4, 1990. Despite the extremely cold weather there were 24-hour protest rallies in front of the National Assembly against the decision to restore the names. One of the slogans raised was “The Turks in Turkey!”.

On January 4th again, in Kurdjali and many other places there were counter rallies. Thousands of Muslims demonstrated under the slogan “we don’t want autonomy”. There was a high risk of violent clashes. Numerous civic committees and associations were formed in support of, or against, the decision. A power crisis was at hand – the local leaders in the regions in turmoil sided with those protesting against the decision of the supreme party body and provided them with material assistance. In response the government and the democratic opposition endorsed in principle the decision to restore the names. Informal consultations began between those in power and UDF. A Public Council on the National Issue was convened in the building of the National Assembly. Both sides (nationalists and anti-nationalists) were entitled to 30 representatives and about a dozen experts. Those actually involved in the work of the Council numbered about 100 people. On January 14, 1990 Ahmed Dogan announced the creation of an organization of Bulgarian Turks, which was shortly established as the Movement for Rights and Freedoms of Bulgarian Citizens of Turkish Origin, and subsequently, as the Movement for Rights and Freedoms (MRF).

The Public Council drafted a Joint Declaration in which a compromise had been reached – the restoration of the names was accepted but with limitations of the right to Turkish language instruction in the Bulgarian schools. There were calls for the elaboration of a general program on the national issue. On March 1st a meeting took place in front of Alexander Nevski Church in Sofia organized by the Committee for National Conciliation and MRF. On March 5th the National Assembly adopted a law on the free choice of name. This practically put an end to the nationalist crisis. It should be noted that BSP took the risk of taking up the nationalist debate in the subsequent parliamentary elections and managed to achieve 90% mobilization of the Bulgarian population in the mixed regions.

The third, parallel to the political and ethnic, line of tension appeared as a wave of strikes in January-February 1990. They involved doctors, teachers, miners, public employees, and workers. The strikes were largely of an economic nature and demanded better working conditions but they also acted as an accelerator of the political instability of communist rule.

By the end of February 1990 UDF agreed to parliamentary elections and from that day on tension mounted continuously until June 10, 1990. Serious incidents and violence were avoided but there were some clashes between BSP and UDF supporters. The credit for this should generally be attributed to both sides, which, though tempted to speculate with the threat of violence, carefully avoided spurring the tension beyond certain limits. According to political analysts, the chief reason why mass incidents were avoided was the fact that the cleavage between the extreme supporters of the two political powers was most tangible in the biggest cities of the country (Sofia, Plovdiv, Varna) and some of the smaller towns, but for the most part tension was limited elsewhere.

A new surge of action by “non-parliamentary means” began on June 10, 1990 when BSP won the parliamentary elections. A wave of reports of alleged violations and manipulations during the elections started on June 11th. UDF launched a civic noncompliance campaign. Most universities in the country gradually joined the first student strike with the occupation of Sofia University Saint Kliment Ohridski. The students protested against violations of the election law. Their initial demands were:

- Prompt publication of all the numerous instances of violence, flagrant interference, manipulations of the voters and the electoral commissions, falsifications, and violations of the election law adopted by the Great National Assembly, which had certainly affected the course and results of the elections;
- Legal charges against the persons guilty of corrupting the election process;
- Resignation of the Director General of Bulgarian National Television.

The student strike was joined by UDF supporters who blocked traffic on certain streets in Sofia, erected barricades, etc. The so-called TOWNS OF TRUTH were set up. Parents and teachers in the park between parliament and the university started a relay hunger strike. BSP supporters tried to retort through the Union of Cooperative Farms in Bulgaria. Union representatives declared that unless the student strike was called off by July 11th they would block Sofia using combines, tractors, and other means of transport. The chief demand by then was the resignation of President Petar Mladenov (ex minister of foreign affairs under Todor Zhivkov who was believed to have orchestrated the change on November 11, 1989). The demand was on account of Petar Mladenov suggesting to use tanks against the first big demonstration on December 18, 1989. Petar Mladenov resigned on July 6th. The student strike ended on July 7th. On the next day BSP supporters started counter rallies demanding a

referendum on Mladenov's resignation. During these meetings there arose minor incidents between blue and red supporters.

The trade unions got involved in the conflict, as well. The Confederation of National Syndicates in Bulgaria (CNSB), the "official" labor union, set a deadline by July 23rd to satisfy the demands for speedy and efficient work of the Parliament and threatened to initiate national protests using all forms of union pressure after this date. On July 24th symbolic protest action began in support of the CNSB Memorandum – taxi beeps and enterprise alarm bells. On July 25th the National Assembly adopted a declaration in response to the CNSB Memorandum and the Declaration of Podkrepa Labor Confederation. The nationalist debate was taken up again when the National Assembly resumed work. Cordons, roadblocks, and protests were organized on July 10th against the participation of MRF MPs.

UDF had its first successful bid for power the sixth time the Great National Assembly voted to elect a head of state. A compromise had been reached and Zheliu Zhelev, UDF Chairman, was elected President. It was agreed to start negotiating UDF's participation in a coalition government. The tension continued to fall for about a month when, on August 20, a meeting was organized by the National Committee for Civic Peace, Unity, and Legality, which was BSP's way of countering UDF in the streets. Another protest rally, of the Movement in the Name of Truth, was taking place at the same time in front of the Party House. The hostility among the participants in the two events escalated to violence despite the intervention of the police. The Spokesman of the President's Office appealed for preservation of public peace on television.

The next day the Great National Assembly voted to remove "non-traditional political symbols from public buildings and other locations". On August 26-27, following calls by some UDF supporters, the excited crowd stormed the BSP Party House, election club, and restaurant, which were looted and set on fire. BSP called a protest meeting against what it called a neo-fascist act. A preliminary investigation was initiated. Among the suspected instigators was the President of Podkrepa Labor Confederation. The head of state ordered the MIA bodies to take all necessary measures, except the use of firearms, to restore order in the center of Sofia.

In the period following the resignation of Petar Mladenov, which led to UDF acknowledging the parliamentary election results, tension surrounding the future government of the country persisted. The key problem was the control over the executive. Both of the major political powers clearly realized that the government had to implement extremely unpopular measures that would cause a drastic fall in the population's standard of living. In this sense the UDF leaders decided that BSP should be left to form a government and lose its supporters. At this time internal discord within UDF and BSP had also intensified. The fight for control within both UDF and BSP led to the alternating domination of one group or another, which defined itself in terms of its attitude to the external opponent. By the end of August a compromise had been reached between some UDF representatives and BSP to form a coalition government. The reason for this compromise was that BSP had "given UDF the presidency" in return for taking on some of the responsibility by sharing the executive power.

The figure that UDF and BSP had agreed to entrust with forming the new government was Andrey Lukanov, who was the current Prime Minister. Up to then the cabinet had avoided any unpopular steps whatsoever but the economic situation in the country continued to deteriorate. The country's financial resources were quite limited. Access to international financial markets was cut off with the declared moratorium on foreign debt payments and economic relations with the countries of Eastern Europe were breaking down. The deepening chaos in the Soviet

Union, which was the chief source of raw materials, was becoming an additional factor of instability. The Gulf War had blocked the country's access to the second most important market after CMEA. There was enormous disparity between the solvent demand and actual supply, i.e., the so-called deferred consumption. With a GDP of USD 22 billion, deferred consumption exceeded 12.2 billion, of which an estimated USD 10 billion in savings accounts. As a result the country experienced a permanent deficit of consumer goods. The foodstuff and fuel deficit was particularly destabilizing.

In this context the group within UDF that opposed the idea of entering the executive started to prevail, the negotiations slowed down, and on September 13th UDF announced it was not going to be part of the new government. On September 14th President Zhelev proposed a program government. This option was unacceptable to BSP and Andrey Lukanov was forced by the party hard-liners to form a program government himself. Lukanov's proposed economic program was accepted in principle by CNSB but the suggested moratorium on strikes was rejected. In late October, under labor union pressure, it was decided to introduce income indexation and this actually set off the inflation wave in the country.

November 5th marked the beginning of the period of most serious confrontation since 1989. Sofia University students occupied the building and announced a national strike. Podkrepa LC backed the strike. The Neftochim strike committee set an ultimatum calling for the resignation of the Prime Minister and threatened to stop work unless their demand was met. A series of national UDF public meetings took place in Sofia on November 16-18 under the motto "No to the government's criminal inactivity; yes to the immediate change of the system". Podkrepa LC gave the government a 7-day deadline and threatened to launch a national strike, which began with the demand for the government's resignation. On the third day of the strike traffic was blocked in Sofia and there were clashes with the police. Roadblocks at major intersections in the capital continued and CNSB joined the strike.

On the evening of November 29th the political powers agreed on the need for a "new national government of peaceful transition to democracy". Andrey Lukanov resigned. The crisis was brought to an end on December 7th when, following a proposal by the President, the Great National Assembly appointed the non-party affiliated lawyer Dimitar Popov to form a new government. BSP and UDF each had a Vice Prime Minister; the Ministry of the Economy and the Ministry of Finance went to UDF. BSP was in charge of the Ministries of Defense, of Transport, and of Foreign Economic Relations, while BNAU got the Ministry of Foreign Affairs and a neutral minister was appointed to head the crucial Ministry of Internal Affairs.

3. 1991: Renewed Political Crisis -- The Split within the UDF and the Power of the Students

The period from December 20, 1990 to January 28, 1991 can be defined as a temporary lull when economic problems such as foodstuff and fuel shortages were somewhat alleviated by the political stability. On January 28th the Council of Ministers adopted an ordinance on price liberalization and on February 1st the new prices went into effect. The basic interest rate rose from 15 to 45 per cent. On February 3rd the government voted an ordinance to liberalize the foreign currency exchange regime.

Political instability flared up again in connection with the report by the Parliamentary Mandate Committee on the legitimacy of the 1990 elections. The Committee acknowledged as legitimate the election of 408 out of the 409 MPs, the one exception being Stoyan Ganev from

UDF. On March 14th the voting on the Mandate Committee report grew into a Parliamentary crisis. A UDF declaration stated BSP was questioning the legitimacy of the elections, blocked the reform, and obstructed the change of the system. On March 17th a public meeting in front of the Presidency marked the beginning of the UDF election campaign. A special resolution called for dissolution of Parliament and the holding of new elections by the end of June. On April 8th the UDF National Coordinating Council demanded Parliamentary elections in June, announced the formation of a shadow cabinet and urged UDF MPs to leave Parliament. In mid-April the draft constitution of the republic was submitted to the Great National Assembly. The same day a UDF rally demanded elections in June. The student movements once more proved the “most active pressure instrument”. The internal conflicts in Parliament continued on many different grounds but the principal emerging controversy now was for or against the new constitution. The internal discord between the moderate and the radicals in UDF was deepening. Podkrepa LC attacked UDF ministers, claiming that the government had failed to keep the social peace agreement and insisting on public naming of the ministers responsible. It should be noted that Podkrepa LC sided with the radicals in UDF. The beginning of the split in UDF came on May 14th when 39 UDF MPs left Parliament claiming that with a BSP majority the Great National Assembly was incapable of drafting a democratic constitution. A national UDF conference took place on May 19th at which Dr. Trenchev (the leader of Podkrepa LC) first put forward the idea of setting up civic committees of UDF supporters united in a blue movement. At this conference the confrontation was essentially between the big UDF-member parties, which could possibly exist on their own, and the movements and small parties drawn together around Podkrepa LC. It was precisely the big parties in UDF – BNAU Nikola Petkov, Bulgarian Social Democratic Party (BSDP), and the Green Party that started distancing themselves from the UDF coalition once they lost their positions in the National Coordinating Council (NCC). On July 8th NCC of UDF decided that the parties intending to ratify the new constitution would have to leave UDF.

On July 10th a public meeting organized by NCC at Alexander Batenberg Square in Sofia demanded a referendum to endorse the new constitution by a qualified majority. To protest against the requirement to take a new oath, 23 MPs started a hunger strike in the park next to Saint Sofia Church. The mayors of 18 municipalities in Sofia adhered to their demands but continued performing their functions. As a token of solidarity hundreds of Sofia residents supported those on hunger strike with their presence. On July 12th the Great National Assembly passed the new Constitution Law by 309 votes. It decided to dissolve and proceeded to work as an ordinary national assembly until the elections.

NCC of UDF tried to oppose the new status quo and used its staunchest supporters in much the same way as in the autumn of 1990. Twenty-two MPs on strike submitted to Parliament a draft resolution to hold a referendum on the new Constitution. Supporters of the MPs on hunger strike organized a sitting strike in front of Sofia University. Twenty students climbed on the roof of Sofia University with a blue flag and slogans saying “no to the socialist constitution”. Special police forces cordoned off the way to parliament. In an attempt to pass through despite the ban, citizens and 4 UDF MPs were clubbed. There followed a rally organized by UDF demanding the resignations of the Prime Minister, the Minister of Internal Affairs, and the Mayor of Sofia (Alexander Karakachanov, leader of the Green Party). On July 16th at a meeting between the President and the parliamentary political powers the referendum idea was discarded as unacceptable at that stage. The required formal oath before the new constitution was cancelled, and support was expressed for the Minister of Internal Affairs and his ministry. The election date was set for September 29th. On July 17th the Supreme Council of BSP called a public meeting in support of democracy and the constitution at Alexander Batenberg Square.

At its end there broke out fights among BSP and UDF supporters. There were wounded and arrested people. In an address to the nation President Zheliu Zhelev appealed to the MPs on hunger strike to resume their functions and for Parliament to pass an election law. A student cordon around the building of the BSP Supreme Council was organized with the demand that it be handed over for the needs of Bulgarian culture.

After June 17th the political tension between UDF and BSP subsided. The confrontation was now primarily set within UDF itself. A strike of the miner's union within Podkrepa aimed against the UDF ministers began on August 18th and did not end until August 24th. The election campaign was marked by the rivalry among the three groups originating from UDF. In the process of party registration for the elections, UDF ultimately managed to secure the blue ticket (an already established symbol of the democratic opposition). The three parties that had left UDF failed to unite and competed as independent formations. They were UDF-Liberals, UDF-Center, and BNAU Nikola Petkov. The clash, however, essentially involved different factions of the political elite, with hardly any substantial projections on a national level.

On October 13 the elections proceeded without any major incidents. UDF won by 34.6%, BSP received 33.14%, and MRF, 7.55% of the vote. The parties that had detached themselves from UDF failed to overcome the 4% threshold.

The election results placed UDF in a situation where it had to seek a coalition with MRF. At that stage the leaders of MRF declared they did not want any ministerial positions but would back Filip Dimitrov's government.

4. 1992: Presidential Election, Public Transport Strike and Continued Political Crisis

The year began with the Presidential elections. Although BSP did not participate with a candidate of its own, the couple Velko Vulkanov (BSP MP)/Rumen Vodenicharov was opposed to the former UDF leader Zheliu Zhelev. The expected easy victory of the candidates Zheliu Zhelev/Blaga Dimitrova was in fact only achieved at the runoff election and MRF support proved decisive. The Presidential elections showed how deeply divided society was and resulted in an extremely fragile victory of UDF.

This allowed the left to start an active campaign against the economic steps taken by the government. The protests of elderly BSP supporters with social (non-party) demands became quite common. Trade Unions (CNSB) also launched its first national strike in late January. On March 22 the Podkrepa miner strike began. Although the demands were of an economic nature, the strike was essentially aimed against ministers in Filip Dimitrov's government. This was the second serious internal conflict within "UDF space". The clash of interests was produced by the aspiration of Podkrepa to control staff policy in the economy and the resolve of the UDF Coordinating Council not to give Podkrepa access to this resource. The conflict unfolded both in the UDF parliamentary group and inside the very government. MRF also got implicated, choosing to side with Podkrepa. The problem was settled through changes in Filip Dimitrov's government and the departures of Defense Minister Dimitar Ludjev (ex vice prime minister with Dimitar Popov's government and adhering to the position of Podkrepa) and Ivan Pushkarov (the minister opposed by Podkrepa). This did not put an end to the tension between UDF and Podkrepa/MRF. Conflicts in connection with the high-ranking administration persisted and concerned the secret services, the diplomatic mission staff, the directors of the large state-owned companies.

At the external front opposing UDF and BSP, the focal point was the restitution and ownership transformation process. The UDF aspiration to create a new class of owners came up against public opinion that tended to identify with the state up to 1990, now renouncing vast assets in which billions of dollars of taxpayers' money had been invested. This brought about a change in the support for UDF among industrial workers.

In agriculture the liquidation of cooperative (essentially state-owned) property led to confrontation in the countryside. It culminated in several spontaneous farmer protests against the activity of the liquidation boards and the appropriation of the assets by persons close to those in power.

The new clash within "UDF space" began in July 1992, when 7,500 drivers from Sofia went on strike and blocked public transport. They demanded payment of their due salaries and bonuses. The strike was organized by the very same transport union organizations that had been the most influential in November 1990. The extreme stance assumed by the government showed that Podkrepa was practically out of UDF already. The same month the uranium and coal miners warned of imminent strikes. In early autumn President Zheliu Zhelev got involved in the internal conflict by publicly criticizing the UDF government policy. There followed a series of statements by the MRF leader objecting to the right-wing policy of the UDF government. It was in such a context that the country experienced another series of strikes, some of which involved more radical action such as the blocking of trains (by the workers from the defense plants in Kazanlak, Karlovo, and Sopot).

The political conflict reached its peak when the UDF government motioned a confidence vote in Parliament in order to avoid further destabilization. The vote failed on account not only of MRF but of part of the UDF MPs, as well. The subsequent negotiations between UDF and MRF fell through and ultimately the so-called expert government of Lyuben Berov was formed under the MRF mandate.

5. 1993 – 1994: The growth of criminal and business factors in conflict

The period between January, 1993 and October, 1994 was tinged by conflicts between the political groupings supporting L. Berov's government. The Cabinet had the support of MRF, BSP and approximately one third of the UDF votes. Swayed out of power UDF was after new elections and till 1994 that was the line they pursued. After one year in office and a second visible 'split' in a row, though, UDF had lost a lot of public confidence in big cities (especially in Sofia) and could not rely on the street any more. Several attempts to convene protest meetings against the Berov government proved sparse, lacking in enthusiasm and by mid-1993 pointless. On the other hand, internal tensions within UDF were not relieved even after dissenters like D. Loudjev, V. Karabashev, A. Mitchkovski broke away and turbulence continued. It went as far as a structural split and the 1994 elections were faced with 'People's Union' in the right wing comprised by the UDF breakaway Democratic Party, an Agrarian party and the Radical-democratic party.

The support for the government of L. Berov looked so frail that most political analysts foresaw rapid downfall. Despite constant political collision, conflicts of big economic interests, numerous strikes, periodical criminal instances, the government survived unexpectedly long. Emblematic for the period became the Club G-13. That was an attempt to group together the biggest Bulgarian economic interests. The purpose of this formation was to exert more effective influence on the policies of Bulgarian government. Actually the conflicts over

resources were so deep between the members of G-13, that the Club can hardly be called operative. It is noteworthy that outside the G-13 remain a considerable number of business groupings who avoided going public. Both types of big businesses, however, typically grew on the state ownership. At this point state ownership in industry remained nearly 90%. This gave rise to the development of a characteristic mechanism for draining state-owned enterprises via control of the 'input and output'. It implied that the procurement of all supplies for the enterprises (raw materials, spare parts, machinery, etc.), as well as the sales of their end products went through private companies. Thus, without any investments made, pay roll costs, taxation, etc. the big private groupings made their profits. As a result, big industrial structures like ferrous metal works, machine-building plants, chemical factories, military works turned out incurring heavy losses. Protest actions were initiated and the state took over their losses, extended necessary credits (mostly pay-roll amounts) via state-owned banks and the situation was subdued for a while. Similar 'draining' mechanism worked between the private groupings and the state-owned banks: state-owned banks lent to their financial structures (banks and financial houses) and those were either very low interest credits, or loans they could delay paying, or simply did not pay back by making the actual receiver firms bankrupt. Thus the biggest state-owned banks became the "empty" structures to form the bedrock for the crisis of 1996 -1997.

The state gradually refraining from combating crime, opportunities were wide open before part of the Bulgarian business to go criminal. This typically took the form of 'hybrid' co-existence of legal and criminal business activities, particularly in the security area – individuals, firms, or chains of firms involved in 'security' activities. The first ones emerged as early as in 1991 with miscellaneous participation of former policemen, sportsmen and individuals with criminal records. Their advance had objective preconditions like 200% rise of crime, idle judicial system, which did not protect the emerging private small and medium-sized business. Last but not least came the willingness of the firms to use 'power methods' as 'cutting edge' – especially on the markets of mass and consumer goods. In that period the smuggling and the illegal import turned into a highly profitable activity. The imports of alcohol, cigarettes, petrol products, coffee, chocolate were almost 100% contraband. Similar was the situation with the import of household and office equipment, automobiles (the import of stolen cars and car theft became key for the country's organized crime). As a result, the effective operation of any state-owned or private firm was next to impossible without the protection of such 'security' companies. After 1993 the process reversed and it was not the businesses that sought the protection, but the security companies forced the businesses into hiring them. Serious clashes started between the 'security companies' after the consolidation processes gained speed. By the end of 1994, according to analysts of the processes, some of the big 'security chains' had hierarchical structures and operated nationwide. Although not in the scale known for Russia, collisions between the national structures often led to mass shootings and victims. A vast bulk of the institutions entitled to counter crime, such as the police, the investigation and the prosecution, began merging with the criminal groups.

In the period the country remained in isolation in financial terms due to the moratorium on its external debt payments. This placed Bulgarian economy in a situation of permanent pressure. Yugoslavia was imposed international embargo on many commodities, petrol products including, in the period. This 'nursed' huge illegal export operations of the emerging private business. Thus financially strong groups started shaping themselves operating fully or partially in the grey sector. Clashes between these groups became common along the west borderline of the country. Along the East border, and mainly in big port cities like Varna and Bourgas, started the invasion of Russian, Ukrainian and Trans-Caucasian organised crime groups.

Apart from criminal conflicts also worth special attention are the labor-industrial collisions and the ethnic tensions. After the UDF – Podkrepa clash, there was research evidence of declining approval rates not just of UDF, but of the Trade Union as well. On the other hand, the much larger Trade Union KNSB continues to have problems connected with its history from before 1990. Pressure on the government, strike threats and the actual strikes typically related with overcoming problems occurring in the enterprises in consequence of inefficiency of economic operation. Very often in the period when Berov's cabinet was in office clashes were observable between the two syndicates for the control over respective enterprises. This also led to the disappointment on the part of enterprise employees and syndicate members. Practically neither Podkrepa, nor KNSB had any visible presence in the growing private sector. Not infrequently in the interval Trade Unions were used to serve the interests of the big economic groupings. Syndicates do make an effective instrument to exert pressure on the company executives to accept, or reject somebody as a partner in the enterprise (typical here are cases like 'Neftochim' refinery, ferrous-metal enterprises "Kremikovtsi", "Stomana"—Pernik, "Chimko" – Vratza, and more so in the energy, coal mining and elsewhere). It is easy to trace the trend of syndicate leaders passing over to executive positions in big private structures.

The fact should not be overlooked, though, that all through the period the syndicates attempted to sustain their influence by periodically raising demands for indexation of salaries due to inflation. Although "Podkrepa" overtly took part in the formation of the government still in mid-1993, powerful economic interests ousted its influence, and one of the means to retrieve that influence was the national strike in the summer of 1993.

With regard to the ethnic tensions – the Roma population at this point was not at all in the focus of attention of neither the media, nor the politicians. Available research of the period proves that at places regionally that was left without social welfare. At the moment, though, no Roma leaders had come forward, the Roma population was still scattered (although processes of concentration were under way in big cities) and almost no Roma protests were registered. The single known until then attempt made by Manoush Romanov to enter into politics was unsuccessful.

With the Turkish ethnic group the exodus was resumed as early as in 1990, and from 1992 on gained force. Unfortunately in the period 1990 - 1996 there are no reliable statistical data on those processes. Although L. Berov's cabinet was under the MRF mandate, protests were common in the winter months of tobacco growers over produce unsold, or unpaid. This took place primarily for economic reasons – Bulgaria had lost its markets in Eastern Europe, while the Russian one was persistently shrinking. Relatively big Bulgarian domestic market was under the strong pressure of cheap contraband import of foreign cigarette brands. Probably emigration acted as an 'exhaust valve' for the tension. According to some nationalistic political observers, if the "exodus campaign" of 1989 had not taken place to take abroad 300 thousand and to establish the channels for easy emigration after 1990, the possibilities for ethnic war would have been much higher. Mind that especially in the regions with most concentrated Turkish population like Kardjali, tobacco is the only means to secure living and no other farming is possible in the mountainous terrain. Hence, the ethnic clashes hypothesis due to hunger was quite realistic. In conclusion, it must be mentioned that all through the period 1991-1994 the harsh conflict between the state and the tobacco growers did not take any radical forms and did not turn into a political conflict. That is mainly attributable to the presence of MRF in power.

Problems accumulated in the economy going criminal and the subsequent economic crisis of the spring and the summer of 1994 gave grounds for the radical members of BSP leadership to raise demands for power. At the same time, and under the pressure of international financial institutions, Bulgaria had already signed a difficult contract with the London club (the country's private creditors). It can be asserted that was pushed forward by the crisis in March – May 1994. Catalyzing the austere conditions were the introduction of Value Added Tax (VAT) on 1 April 1994 (which led to massive keeping stocks of foreign goods and the subsequent increase of their prices), and the abrupt decrease of country's foreign currency reserve. As a result, there was a breakdown in the weakest spot in the system – the currency market – 94% devaluation of Bulgarian lev was reached in nine months, followed by a drastic deterioration on most macroeconomic parameters of the whole system, inflation surged to 121% and the incomes were reduced by 25%.

On the 18 December BSP won 43.5%, UDF – 24%, People's Union – 6.5%, MRF – 5.4%, Bulgarian Business Block – 4.7%. Due to the vast number of votes attracted by parties below the 4% line BSP had absolute majority and was able to promote their own cabinet.

6. 1995: A Year of Relative Stability

The absolute majority reached by BSP and the firm control BSP's **chair** – Zhan Videnov had over his party secured for the new government fair political stability. All through 1995 public trust remained high. This made it possible for BSP to win relatively easily the local elections in October and November, with only big cities like Sofia, Plovdiv, Varna, Stara Zagora and Gabrovo remaining 'blue'.

The international economic environment had improved after the end of the war in Yugoslavia and the country did not already count as "high risk" region. Concluding the contract with the London club for reduction of Bulgarian external debt took the country out of its condition of international isolation. Domestically stabilization of the currency system was observable – the devaluation of Bulgarian lev stopped, the foreign currency reserve went up to its highest levels after 1990. Inflation was sustained within 35%. GDP growth was observable for the first time after 1990. Zhan Videnov's government started its activity employing too much of the ideology from before 1990. The idea for strong state and equality predetermined the behavior of the new administration. As a result, the privatization of individual enterprises was stopped to give way to preparation for the so-called mass privatization¹. Production was set as policy priority of the cabinet going as far as the minister of industry calling upon enterprises to refrain from paying back their credits. On the other hand, according to the NSI a scarce 9,4% of the industrial output came from the private sector. Despite the beginning consolidation of the banking sector, the situation of the financial system kept deteriorating.

In the area of crime conflicts persisted. It is noteworthy that for the first time after 1990 while Reneta Indjova's care taking government was in office, serious steps were undertaken against crime. Decision was taken all security firms to have to be issued licenses by the Ministry of Interior. As a result of this the most prominent firms suspected of being involved in criminal activities lost their right to carry out security activities. With the handover of power many notorious leaders of the 'shadow business' were scared by BSP's ideology for strong state, that they would have to go legal (in the expression of one of G-13 leaders "the lizard will have to lose its tail"). Counter to all expectations the police remained passive. According to many, the

¹ Similarly to the Czech and Russian models each Bulgarian citizen of age is entitled to a definite number of vouchers.

reason for this was in the personality of the minister of interior at the time – L. Nachev. The security companies re-registered as insurance ones and went back to their old practices. The new name, however, among other things shows that the main source of financing was found – insurance. Object of activity were the markets most liable to risk – the cars, shops and public places. In less than a year two major groups of so-called “power insurers” were formed -- VIS-2 and SIC. As different from the “security” period, when mainly the entrepreneurs suffered most damage, with the “power insurance” many larger groups of the population were affected – everybody having a car. And although the “power insurers” pushed small crime down, the conflicts between their own local structures became common.

No serious conflicts with the syndicates were registered during the year. Despite the confrontation between BSP and MRF, no tensions were so visible to be recorded, either. UDF, regardless of the resignation of its unpopular leader Filip Dimitrov and Ivan Kostov taking over the chair, rested at its lowest levels of popularity.

7. 1996: Instability of the Financial System

In 1996 the tension building up in the various conflict zones culminated in the most severe political confrontation since 1990. The chief tension generator was the growing instability of the financial system. As a result of the unsuccessful negotiations the financing from the international financial institutions was suspended again. The first symptom of the imminent crisis was the gradual rise of the dollar. The Bulgarian National Bank (BNB) could not stop the devaluation of the lev because of the shrinking currency reserves. This drove businesses in the country to start transferring their capital abroad. By the end of March BNB could no longer afford to buy dollars for levs without reducing the currency reserve below a critical level². In April 1996 the lev plummeted and lost half of its value. Part of the population frantically started exchanging their savings in levs for dollars. Owing to the huge savings accumulated from the deferred consumption in 1990, the banks found themselves in a critical state. There began a snowballing process of withdrawal of savings in levs and their exchange for dollars. The urgent negotiations with IMF resulted in an agreement that envisioned shutting down big loss-making enterprises and banks in poor condition. Two of the biggest Bulgarian banks were then closed, marking the beginning of the banking crisis. This set off growing mistrust in the banking system. It further undermined confidence in the lev and the two processes mutually induced each other. While the banking and financial crisis mainly affected the business elite and the “middle class” (largely the residents of the bigger towns), the grain deficit concerned all sections of the population. The tension associated with the price of bread proved the most serious accelerator of the fall of public trust in the government of Zhan Videnov. This crisis coincided with the attempt of the right oriented parties to reunite. The instrument chosen for the purpose was a primary election in order to nominate a single Presidential candidate. The initial expectations were that about 200,000 people would take part in these elections, but the crisis motivated close to 900,000 to turn out for this event, which was a novel practice for Bulgaria. In turn this proved a factor of instability for the ruling BSP. The chaos in the economy was growing as businesses could hardly operate properly in the absence of a functioning banking system. Difficulties were experienced not only by trade and industrial companies but by budget-financed structures, as well. The payments of the social benefits to the unemployed and the socially disadvantaged started running behind schedule, as well as the payment of the salaries of doctors, teachers, public sector employees. The first protests using “non-parliamentary means” were registered in the summer of 1996. Taxi drivers and some

² It should be noted that Bulgaria was paying nearly USD 1 billion a year (at that time) under its foreign debt and the imminent Brady bond payments could place the country in a situation of insolvency.

radical UDF supporters tried to block traffic in front of the National Assembly. These processes did not evolve further because of the UDF's stalling strategy until the presidential elections in November. The suspension of the second part of the IMF funding in August 1996 due to non-fulfillment of the commitments taken on by the government further deepened the financial instability. BNB once again raised interest rates but by then the population was widely closing its bank accounts (including foreign currency ones). In October another 15 banks were placed in isolation and practically closed. The lev was devaluated by another 100% and the annual interest rate reached 300%. The IMF, which had become the only hope for stabilization of the country, made its support conditional on the introduction of a Currency Board. BSP's Prime Minister, Zhan Videnov, accepted the demand and following a brief party discussion his government started the necessary preparations. With the loss of the Presidential elections on November 3, 1996 it became apparent that the government of the left was undergoing a deep crisis. Internal party pressure to save the BSP government was increasing. A party conference was convened in late December at which the party leader and Prime Minister resigned from both positions. A new party leader was elected – Georgi Purvanov – and Nikolay Dobrev was nominated for Prime Minister. It was a time of relative calm due to the Christmas holidays.

8. 1997: Financial Crisis and Political Confrontation

From the very first days of 1997 it became clear that the united opposition, which by then had a strong centralized leadership, was not going to let BSP remain in power. The UDF leadership had clearly renounced waiting for BSP to take all the unpopular steps. The reason for this was that the introduction of the currency board might stabilize the BSP government for a long time and then the moment of growing popular discontent with the rule of the left would be missed similarly to the summer of 1996. On January 3rd UDF and the newly created labor union close to UDF, Promyana, announced the beginning of protests involving about 70,000 people. A National and Civic Protest Association was established. Protest marches to the BSP building on 20, Positano Street began from January 3rd on. According to the publicly announced intentions of the opposition there was to be a wave of strikes throughout the country in February. However, actual developments speeded up the plans of the opposition. On January 10th a protest demonstration against the new socialist government in front of the Parliament building turned unruly. The crowd attacked the Parliament building and the police resorted to tear gas and violence to disperse them. Over the next days UDF demanded early elections and President Zhelev declined to assign the formation of a new government to Nikolay Dobrev using his constitutional right to delay the nomination. During that time UDF initiated protest rallies in all the towns of the country. The chief tension-generating factor, however, were not the political protests but the deteriorating financial situation in the country. Since the outset of street protests and particularly after the events of January 10-12, the value of the lev had been falling at a dramatic rate – from 500 leva a dollar in early January to 1,500 leva by the end of the month. As a result the average salary dropped to USD 30 a month. BSP began considering the early election option. When the new President invited BSP to form a new government there was a wave of protests, demonstrations, and warning strikes. As the date for the voting of the new cabinet approached it became clear that there was a risk of mass violence and serious economic losses for the country. At that time the currency exchange rate became a veritable tension indicator. In the days preceding February 14th the dollar/lev exchange rate reached 1/3,000 and the average salary fell to USD 15. Despite the internal contradictions and the insistence of part of the party leadership not to give in, the group close to the BSP Chairman, Georgi Purvanov, and the Prime Minister nominee Nikolay Dobrev chose to renounce its mandate and accepted the UDF proposal for a take-care government. In addition to the

barricades and roadblocks (mostly in the big cities in the country and some smaller towns such as Dupnitsa and Lom) another factor for this decision was the refusal of part of the BSP MPs to support a new BSP government. This meant that BSP no longer had parliamentary majority.

During the pre-election period tension in the country's economy subsided. The cabinet headed by the mayor of Sofia Stefan Sofianski managed to bring about a stabilization of the country's financial system. The lev began recovering its value and by the end of Sofianski's term the dollar/lev exchange rate was below 1/1,500. At the same time the interim government dramatically increased the foreign currency reserves due to the increased demand for levs³. In the political sphere the outcome of the elections seemed predetermined and the only serious conflict was associated with an attack against MRF. Its leaders were accused of being involved with criminal groups and individuals (the "Roko case"). However, this controversy did not have any projections on a mass level and though it might be referred to the ethnic conflicts, it was essentially confined within the UDF and MRF political elite.

The elections were won by the political union United Democratic Forces created by UDF and further comprising IMRO (Internal Macedonian Revolutionary Organization) and the Popular Union (BNAU and the Democratic Party) by an absolute majority of 52.6% as against 22% for its traditional opponent, BSP. The UDF leader Ivan Kostov was appointed Prime Minister. The adoption by Parliament of the Currency Board Law in June put an end to political elite interference with the country's financial system. Until the end of 1997, despite certain fears of a possible new economic crisis due to the "cataclysms" of 1996 and early 1997, there were not any notable conflicts or tension. It should be noted that despite the stabilization, the decline of GDP amounted to 7%.

9. 1998: Stabilization under UDF Government

The stabilization of the currency and the financial system led to stabilization of industrial production. The high trust in the political power that won the elections, United Democratic Forces, and the inability of its major opponent, BSP, to recover the support it used to enjoy, can also be identified as factors contributing to the country's stability. The more notable conflicts were labor disputes - the one involving the rail workers in March 1998 and the miners from GORUBSO at the end of the year. In both cases Kostov's government chose a forceful approach. In the first case it fired the rail workers and brought them to court, and in the second case it declared bankruptcy of GORUBSO and forced the miners' leadership to retract almost all of their demands. It is probably on account of the demonstrated firmness and close relations between the government and the union leaderships that strikes came to be perceived as ineffective.

Two incidents from the period March-May can be considered as manifestations of ethnic tension. The first one involved the Turkish ethnic group and concerned the tobacco bought from, but not paid to, private producers in the Kurdjali area. In this case the government made sure the due payments were made and the tension subsided. In the second case a Roma riot broke out in the town of Lom in connection with unpaid social benefits and the conflict was settled through negotiations. These two incidents made the government take special steps to ensure regular payment of social benefits and the amounts due to tobacco growers.

³ According to economic analysts, the actual value of the lev at that time was estimated at about 700-800 levs per US dollar but in order to protect the future competitiveness of the industry and to reduce the country's internal debt the take-care government would not allow the lev to rise any higher.

In the sphere of crime, the record high crime rate registered in 1997 was followed by a record low in early 1998 when, due to the crisis in the first months of the year, the total number of crimes fell by 30%. Though the activity of the semi-criminal insurance and security groups had been seriously restricted already in 1997, what really put an end to it was the passing of the law on the licensing of insurance activity. The display of insurer logos was banned by law and the symbols of their power, flaunted for three years, disappeared. Notwithstanding the unquestionable progress made by the state in this respect, there remained ample grounds to claim that organized crime had not been destroyed, but had simply transformed itself.

10. 1999: Renewed Crisis due to Deteriorating Economy, Impacts of Kosovo Conflict and Implementation of Privatization

The Kosovo crisis and the subsequent military action largely determined the tension arising in various social spheres in this country. Above all, they once more placed the economy under serious pressure. As a result of the deteriorating situation in former Yugoslavia access to the European countries (accounting for over 50% of the country's exports) was impeded. In the first six months of the year there was a drastic shrinking of orders in the industry and this had a negative impact on the labor market. A considerable number of foreign investors put their plans concerning Bulgaria on hold. In this context the government had to make a series of crucial decisions concerning big privatization deals that would decide the fate of key enterprises. Large plants such as the rubber plant Vidachim (Vidin), the synthetic fiber plant in Yambol, the Varna shipyard, the fertilizer plant in Stara Zagora, the machine manufacturing plants in Plovdiv and Sliven, and others had to be closed. The situation was most strained in towns such as Vidin and Yambol, with a population of 50-100,000, where the shutting of such plants meant depriving of livelihood half the families living there. It was at that time that we witnessed protests in which an entire town's population took part but which never received national coverage because of the tight control over the mass media exerted by the government. There is reason to claim that if such plants had been shut down in the first half of the 1990s there would have been far more devastating cataclysms in the country.

The closing down of large enterprises, the ensuing high unemployment rate (rising from 12% at the beginning of the year to 16%), and the falling export rate caused serious problems in securing healthcare, social benefit, and retirement pension payments. From mid-1990 on, the payments through the municipal budgets were constantly overdue and the municipalities found themselves in a permanent state of financial crisis. As a result of the dependence of the Roma population on social benefits tension among this ethnic group intensified.

The war in Yugoslavia confronted the pro-Western policy of UDF with the pro-Serbian inclination of Bulgarian public opinion. For the first time since 1990 BSP and the nationalist parties managed to draw large numbers to their rallies. Although these tensions did not have any tangible impact on the country's stability, there were certain latent threats. As a result of the Kosovo conflict some media and politicians once again started exploiting the theme of possible Turkish demands for autonomy. An extremely high "readiness to engage in protests" was registered among the Turkish population during the Kosovo conflict (according to the UNDP Early Warning Reports).

The internal conflicts within the governing political power, United Democratic Forces, deepened in 1999 although they were generally undisclosed in public space. On the political elite level tension reached its peak ever since the "blue ant insurrection" in 1992. The local elections held in October-November showed that UDF was going into a period of crisis. Big towns where UDF

used to enjoy huge support were lost – Varna, Burgas, Russe, Stara Zagora, Blagoevgrad, etc. BSP failed to boost popular trust and in terms of electoral support the difference between the two dropped to 4%. Towards the end of the year, following the invitation to start negotiations with the European Union, Prime Minister Ivan Kostov made serious changes in his government. Only three of the ministers from the former cabinet remained in office.

11. 2000

Even though the readiness for protest action increased during that year (according to EWR of UNDP) no forms of mass protests were observed. Yet, despite its important international achievements, the government's public rating continued to fall. This development was essentially provoked by the intensifying confrontation among the political leaders of the United Democratic Forces. The conflict culminated in the accusations of corruption against Prime Minister Ivan Kostov by the ex-minister of internal affairs, Bogomil Bonev. They were later reiterated by Mr. Radev, the dismissed director of the National Agency for the Fight against Organized Crime. These allegations in fact only reinforced the accusations against the government already abounding in the media. At the time when Bogomil Bonev made his assertions the government and the ruling coalition United Democratic Forces received the lowest rate of public approval since coming to power in 1997.

At the same time the Bulgarian economy entered an upward phase and achieved the highest growth rates since the beginning of the economic reforms. Macroeconomic and financial stability was preserved due to the high level of foreign currency reserves and the prudent fiscal policy. The banking sector gradually adopted a more active crediting policy. The current account deficit remained at a moderate and manageable level.

Nevertheless, the unemployment rate reached almost 19% (increasing by 2% compared with 1999). In large areas of the country the unemployment rate was as high as 40%. The local budgets were once again severely cut down and as a result protests concerning overdue salaries and social benefits became commonplace. As in the previous years, the Roma ethnic group was the worst hit by the municipal budget crisis. The readiness to engage in protests among the Roma population reached its peak since 1997. Nonetheless there did not occur any serious violent incidents.

Throughout the year the crime rate displayed a steady growth tendency in terms of both street crime and organized crime, as evidenced, for instance, by the growing number of bomb attacks with fatalities.

12. 2001: Current State and Conflict Potential

The parliamentary elections were the crucial event of the year. The emergence of the Simeon II Movement disrupted the established power configuration in the country. The expected clash between the United Democratic Forces and BSP as equal contenders failed to take place. Simeon Saxe-Coburgotha's⁴ entry into Bulgarian politics on April 6 radically altered the party status quo established since 1990. According to most political observers, the outcome of the elections of June 17 portends instability in the mid-term. This is conditioned by the extremely short time available for the formation of the Movement's political figures. The organization

⁴ Simeon II became the Bulgarian Tsar after his father, Tsar Boris III, passed away in 1943. In 1947 a referendum was conducted in Bulgaria under soviet control as a result of which the monarchy was replaced for a republic. Simeon II was forced to leave the country and lived in Spain until April 6, 2001.

did not have any established structures, nor any consistent mechanisms of candidate recruitment. Once the parliamentary majority was a fact, it turned out that with the lack of a shared ideology and the absence of party career prospects the Simeon II Movement is not an easily manageable political machine.

The greatest threat to the country's stability, however, comes from the huge gap between the excessive expectations (comparable only with 1990) and the country's real potential. The period following the formation of the cabinet was marked by the most dramatic fall in public trust in the political power that had won the elections since 1990. The chief reason was that in order to reach an agreement with the international financial institutions the government had to consent to a substantial tax raise and, combined with a poor media policy, this seriously undermined the political stability.

During this period it became clear that this government, too, had tough decisions to make – like announcing the insolvency of 250 state-owned enterprises, and layoffs in the army, in the systems of education and healthcare – up to 30,000. The closing down of fertilizer plants such as Himko and Agropolychim, although in private hands, were reminiscent of a pattern set by GORUBSO, and may have heightened the social tension.

At the same time it is making difficult decisions, the government is encountering increasing anti-governmental activity of the Trade Unions. Two are the factors said to contribute to that. Firstly, the Trade Unions suffer the continuous reduction of their membership count – as a result of the privatization (there are almost no trade unions among the small and medium-sized private enterprises). That naturally led to the drastic downsizing of the union budgets, virtually to the point of raising the question of whether the organizations would survive. Secondly, they act against the state in defense of private companies facing threats to have their privatization transactions reconsidered after the post-privatization control, or failing to perform all their contributions under the social security regulation.

This seems to comprise in part the motivation behind the clash between the government and the State Railways Company. The conflict history shows some 120 million BGL losses this year alone. The enterprise is forced into delaying its payments by 2-3 months, and is unable to receive 'credit' due to its 'isolation' (this is a requirement on the part of the IMF in order to secure financial discipline in heavily losing state-owned enterprises). On the other hand, losses are planned to be curtailed by means of splitting it into two – a transport and an infrastructure company. This, however, would imply a staff reduction of 3 to 7 thousand out of the 37 000 employed by the SRC. KNSB and 'Podkrepa' syndicates are trying to suspend the procedure in fear that upon the enterprise split the total of 27 million BGL back salaries are not going to be paid. The trade unions also demand the writing off of debts to the state amounting to some 130 million BGL, and a 10% promotion of current salaries. Active government resistance crushed similar strike threats in 1998. The current ministry of transport executives, though, would hardly dare to counteract so assertively. It can be expected that government concessions would give rise to a further wave of increase of demands.

The year 2001 calls for special attention with the unique development of a political crisis set off by changes in the criminal environment. Initially a series of criminal incidents in January provoked a public debate and calls for the resignation of Prime Minister Ivan Kostov. Then the murder of the child of a taxi driver led to a siege of Parliament and seemed likely to provoke popular unrest and to bring down the government. A basic outline of the web of causes and

effects that led up to the political crisis of January-March might highlight the following more notable points:

- Rising rate of urban crime and intensifying conflicts among criminal formations (organizations) in 2000;
- With the higher grave crime rate, there are periods when the number of grave crimes grows out of proportion set against the scope of the country;
- The deepening anti-government attitudes among influential journalists and editors lead to deliberate over-exposure of the subject of crime;
- The time intervals marked by a high rate of grave crimes provide the political opposition with a good opportunity to make use of neutral media and attack the ruling majority;
- Spontaneous or organized popular reaction including extreme steps such as roadblocks and attacks against important public institutions;
- The crisis within the ruling majority makes it possible to bring down the government by parliamentary means under more forceful media and political pressure.

Some political analysts have associated this pattern with the January 1997 events⁵. The culmination of the crisis with the blocking of Parliament and the excessive media coverage of the topic in fact marked the beginning of the gradual fall of the tension.

The appearance of Simeon II on the political stage dramatically shifted media⁶ and public attention away from the subject of crime. The involvement of Simeon II in the political process strongly altered the situation in the ethnic conflict zone. As regards the Turkish ethnic group, although MRF kept up its level of electoral support before the elections, the relative weight of the Turkish votes dropped. The reason was that the higher turnout of the Bulgarian voters necessitated a greater number of votes in order to overcome the 4% threshold. For the first time since 1990 MRF ran a real risk of being left outside Parliament.

According to some analysts, any future Parliament without MRF could have unpredictable repercussions. In view of the severe ethnic confrontation in the neighboring republic of Macedonia, this was a highly undesirable development. Fortunately, notwithstanding the serious tension arising between MRF and the electoral commission in connection with the voting in Blagoevgrad and the constituencies in Turkey, incidents were avoided and MRF not only entered parliament but actually became a coalition partner of Simeon II National Movement.

Exactly the opposite happened with the Roma population. Initially, the very slight gap between BSP and UDF was expected to lead to severe clashes in the large Roma ghettos in order to enlist voters. Some of the Roma leaders known to lean towards one of the two political powers were all too prone to violence. Upon the appearance of Simeon II, however, popular preferences were so overwhelmingly in his favor that the risk of incidents vanished by itself. It is worth noting that during the Parliamentary elections the readiness for protest action in both ethnic groups reached its lowest rates since 1997.

⁵ For the purpose the taxi drivers were identified as the “organized core” of the insurgency.

⁶ A comparison between February and April shows that the number of crime-related publications decreased four times.

B. MAIN TRENDS AND POTENTIAL CONFLICTS

The summarized chronological review of conflicts in Bulgaria during the last decade gives reason some analytical conclusions to be made regarding the trends and potential risks of conflict rise in near future.

1. Political Conflicts

At the beginning of the transition to market economy and democratic political system, taking place in Bulgaria, the political conflicts dominated. The driving force of the conflicts in this period was the desire to remove from power the ruling Bulgarian Communist Party, to reform the institutions of the totalitarian state, to restrict the influence of the old political elite. The main initiator of the political demonstrations and public protests was the newly formed democratic coalition of opposition involving the traditional political parties that had restored their independent activities (Bulgarian Socialist Democratic Party, Bulgarian Agrarian Union, Democratic Party, Radical Party, etc.), new political players (Movement of Rights and Freedoms, Green Party, etc.), newborn civic alliances and organizations (Ecoglasnost, the Club of Supporters of Publicity and Reorganization, Independent Society of Human Rights Protection, etc.), trade-union associations (Podkrepa). The political events involved huge masses of people, especially in the capital and bigger cities in the country.

Initiation and development of political conflicts is localized predominantly in Sofia, then the patterns of political resistance conveyed to the bigger cities of the country as well. The significance of the political opposition in the smaller towns and villages is relatively limited, as is their intensity. The regional specificity of the emerging conflicts will be commented in more details in the next part of the analysis.

The locus and causes of political conflict have shifted in recent years. A pattern of growing distrust of and alienation of the Bulgarian people from the institutions of state power and political elite has begun to emerge. If in the first years of transition, the opposition was between the political parties and ideologies (for example, “communism vs. democracy”, Bulgarian Socialist Party vs. Union of Democratic Forces), now the political tension is performed in the plane “ruling – ruled”, “political class – people”. The distrust of Bulgarian people in key institutions, such as Parliament, Government, judicial system, political parties, reaches critically low values. The ability of political parties and coalitions to call up their followers for organized militant political actions is growing weak as well. In this context the risk of impressive protests, acts of vandalism, manipulated deeds of ragamuffins and driven to excess social groups is also increasing.

At the same time, the lack of attractive institutional models and prestigious mediators to settle the conflicts constitutes an additional factor that could lead to the rise of intensive public tensions and vehement conflicts. People give up searching for systematic and collective economic, political, or ideological solutions of the emerging problems and choose individual, family or traditional mechanisms to overcome the social and psychological discord. The society is disintegrating and seeks protective psychological solutions at individual level – apathy, depression, escapism (alcoholism, drug addiction), integration in small religious, subculture or traditional communities.

The importance of the political dimension not only during the initial years of the transition, but also currently, should not be underestimated. It has been demonstrated by the fact that a conflict may become of national significance and may intensify first and foremost through its transformation into a political conflict. In such form, for instance, are exhibited certain conflicts emerging in the fields of economy (opposition of trade unions of various political colors), of culture (splitting of unions of artists, intellectuals), of sport (opposition between sport organizations and state institutions), etc.

2. Socio-Economic Conflicts

In the period 1993-1996, the center of gravity has been displaced from the political to the socio-economical conflicts. Several new kinds of conflicts have come to the fore: industrial conflicts, social unrest/protest, center-periphery conflicts.

Dramatic economic processes have passed in the country – the loss of the traditional markets, the liberalization of prices and the devaluation of the national currency, the “draining” of the state enterprises, the collapse of the financial system and the bankruptcy of the bigger Bulgarian banks, the delayed and distorted privatization, the liquidation of agricultural co-operatives and the ownership restitution over the farming lands, etc. All of them have led to drastic social after-effects – high unemployment level, drop in income and in living standard of Bulgarian population, intensive social stratification and big social groups driven to marginal state, limited access and lower quality of social services (education, health care, social and cultural activities), etc.

At the same time, industrial and labor conflicts have aggravated and become more independent from political control. Quite often the industrial and labor problems were used as a ground of exerting a political pressure and rather rarely they emerge as conflicts of independent nature. In the opening stage of the Bulgarian transition time, the organized strikes had a prevailing political nature. The strikers (particularly active were the students of Sofia universities) claimed political demands and contributed to the resignation of President P. Mladenov and the fall of A. Lukanov government in 1990.

The increasingly desperate socio-economic situation has led to less politicized industrial conflict. As a result of the closure of a number of unprofitable enterprises in the period 1998-1999, many regional and local conflicts occurred in towns like Varna, Pleven, Stara Zagora, Yambol, Vidin, Vratza, etc. Those conflicts did not turn to problems of national importance and were localized in the relevant region. They “faded away” comparatively quickly, unable to cause a wide public response. Yet they continue to “smolder” and it is possible to be activated in the nearest future.

Conflicts between the central and local authorities, between the “center” and the “periphery” are going deeper. At the root of this conflict is the balancing between the rights and responsibilities of the central and local authorities, associated mostly with the distribution of financial resources between the national and the local municipal budgets. The great budget deficit of the most of Bulgarian municipalities is a problem that is not settled yet and it may continue to fuel institutional conflicts among the various levels of state administration.

3. Ethnic Conflicts

During the initial period of transition to democracy, conflicts related to the Turkish minority in Bulgaria predominated. During this period ethnic conflict induced the name change policy and the deprivation of Bulgarian Turks' civil and political rights was settled peacefully by political means. The manner that helped this acute problem to be settled has left its imprint on the ethnic peaceful character of the whole transitional period in Bulgaria, in contrast to emerging war conflicts and violent ethnic clashes in ex-Yugoslavia. Here the Movement of Rights and Freedoms has played a great role, succeeding gradually to gain both political and public prestige and to integrate with the governing structures of the country on every level – national, regional and local.

With the shift from political to socio-economically based conflicts and the reduction of tensions with the Turkish minority in Bulgaria, ethnic tension between the Roma and Bulgarian population has been intensifying. This conflict is likely to be one of the most difficult to deal with, and is one of the main current and potential sources of social stress in the country.

4. Criminal Conflicts

In the first 2-or 3 years of the transition period, under the influence of the conflicts in neighboring Yugoslavia, in Bulgaria were created some preconditions for organized criminality structures to develop. This laid the beginnings of sharp criminal conflicts among competing force groups, of the fighting for territory allocation in the field of “gray” and “black” economy (trade of arms, drugs, prostitution, gambling, human traffic, etc.), of the coalescence of organized criminality with the power structures. These conflicts have intensified to the utmost in the period 1993-1996.

5. International Conflicts

The risk of involving the country in international conflict is connected mostly with the interrelated conflicts in Kosovo and Macedonia. The good political relations of Bulgaria with its neighbors do not give reason to expect another tension source in the region. A possible generator of conflict that should be monitored is the risk of growing refugee flow from countries as Afghanistan, Iraq, Iran, Turkey, certain Arab and African countries. There are some indications that establishment of refugee camps on the territory of the country creates public discontent and precondition of potential protests.

III. REGIONAL DIMENSIONS OF THE CONFLICT VULNERABILITY

This section examines the regional structure of nascent and existing conflicts in the country. It describes the specifics of regional and local conflicts and analyzes the factors that contribute to their origin, intensity and significance.

It is important to underline the fact that conflicts in populated areas outside Sofia, regardless of their sharpness, have not shown potential to destabilize the political government of the country. The only city in which the protests have had national impact is the capital Sofia. In June/July 1990, November 1990, January/February 1997 and partly in March 2001 the protests started in Sofia and received national support. At the same time since the beginning of the transition period, the local and regional conflicts as a rule do not coincide time-wise, arise from different causes and in different parts of the country. It is difficult to forecast what the consequences of several overlapping regional conflicts would be.

It is worth noting that during the past decade there have not been cases in Bulgaria of mass protests transferred from the province to the capital. In this respect the situation differs from Romania, where there are several cases of major miners' protests reaching Bucharest; often they are accompanied by violence and lead to political instability. Despite the fact that there have been attempts for a transfer of protests to Sofia, those attempts have been few and as a rule have been peaceful.

The following analysis outlines in a summary the characteristics of conflict behavior with regard to local economy condition, the size of the populated area and the protest behavior traditions.

A. REGIONAL ECONOMY CONDITION AND PROTEST BEHAVIOR

According to different Bulgarian and international economic analyses in the years after 1990 and particularly during the last 3-4 years major differences in the household conditions in different regions of the country can be observed. It can be stated that the difference in the average household income in Sofia and in a small town/village in some regions can reach levels of 4-5 times (according to the Early Warning Report data the average difference between household incomes in a small town/village and Sofia is twofold). Besides, the following rule can be observed: the level of income depends on the size of the town/village. The population of Sofia has the largest average income, followed by the group of large cities such as Plovdiv, Varna, Bourgas. In the third group (population below 150,000) the income begins to be dependent not only on the size of the city/town/village, but also on regional specifics. For example, in Northwest Bulgaria the population of such cities as Vidin and Montana has an income lower by 30-40% than the population in comparable cities in Southwestern Bulgaria. In the fourth group of towns/villages with population below 10-15,000 the income is lowest and there is an even stronger dependence on the regional location. If, for example, the town is located close to one of the four largest cities or to large industrial zones such as Devnia and Maritsa-East the income could be higher even than that in large cities.

As a whole, we do not observe a direct relationship between the income level in a city/town/village and the registered protest activities in a regional context. Usually, though, **the increase in protest behavior is observed in places (or areas) where there is a sharp decrease in income (e.g. in cases of large companies closure), and not where the income is lowest or the unemployment highest.**

When analyzing the condition of regions the most up-to-date and reliable data that can be used is unemployment data. It shows two levels of stratification – first, on district level and second, on municipality level. Those levels do not coincide in all cases. The data shows that in some districts with relatively low unemployment (for example, Blagoevgrad district) there are municipalities with high unemployment such as Yakoruda, Belitsa and Gurmen. The example of districts such as Razgrad is the opposite - most of the municipalities have very high unemployment, but the city of Razgrad as such has a relatively high employment level (See Figure 1).

B. TOWN SIZE AND PROTEST BEHAVIOR

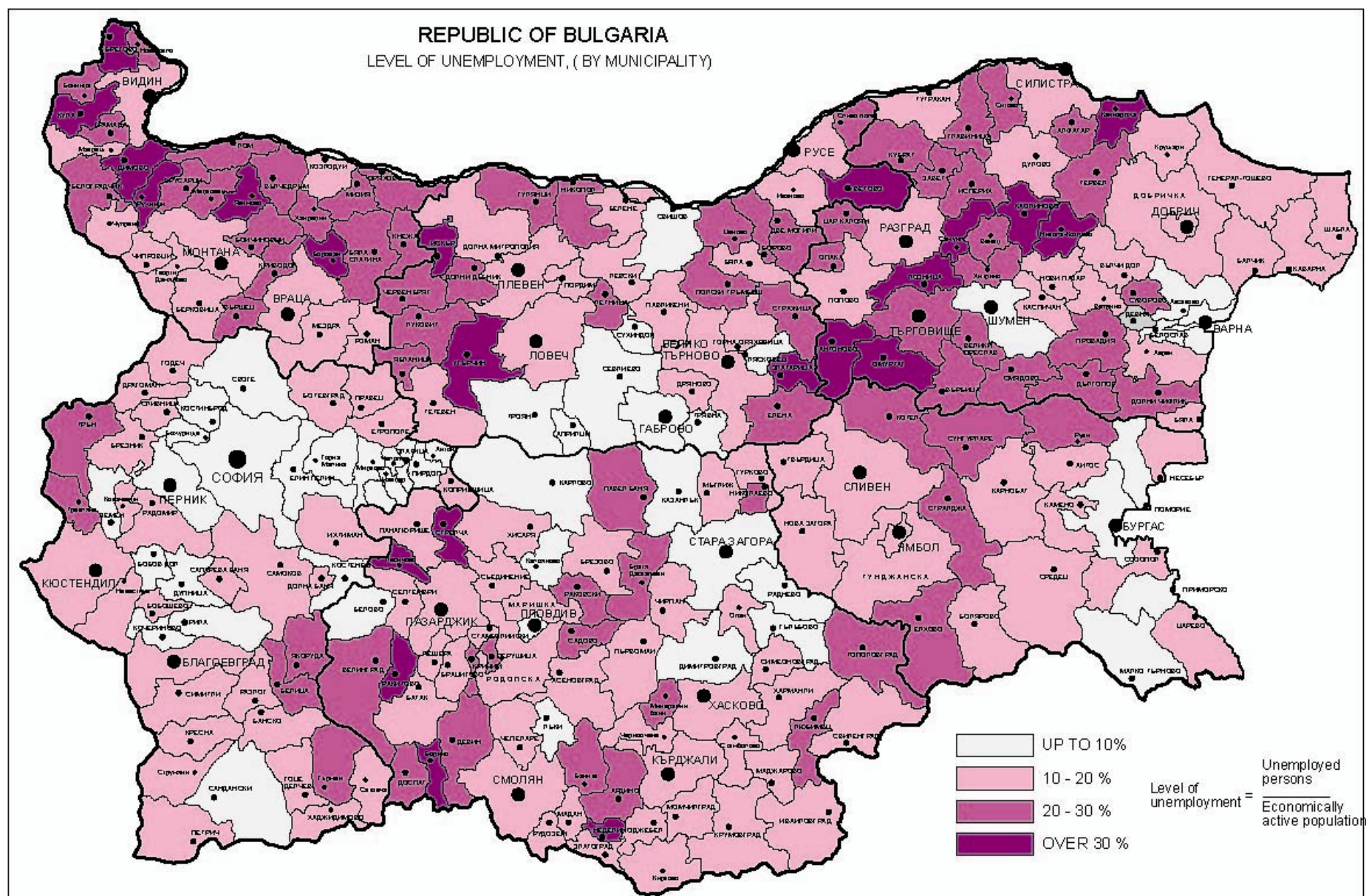
From the point of view of town size the conflicts can be divided by type into the following major groups:

- 1) Tension and conflicts in small towns/villages (up to 10,000 inhabitants);
- 2) Tension and conflicts in middle-sized towns (20,000 to 150,000 inhabitants);
- 3) Tension and conflicts in the largest cities in the country (Plovdiv, Varna, Bourgas, Rousse);

1. Tension and conflicts in small towns

According to the available data, the small towns/villages are the least conflictive areas in the country. The reasons for this are both demographic and socioeconomic. Demographically, these are places with predominantly elderly population, whose system of values has mainly non-conflict attitudes. From a socioeconomic standpoint the main source of income in small towns and villages is agriculture and a significant part of the consumption is natural by character. Namely, in small towns and villages this “cushion” of individual agricultural production “softens” the protest attitudes and their conversion into activism. The industrial companies and workshops that existed in small towns and villages before 1990 were the first to be closed at the start of economic reforms. The deindustrialization of most of the small towns/villages jointly led to the erosion of opportunity for organized protests. Another socioeconomic factor, which to a large extent decreases the prerequisites for organized conflict behavior is the chosen form for land restitution and liquidation of the socialist cooperatives (TKZS) which led to the disintegration of the collective forms of production in the agricultural sector.

Despite the relatively low number of registered conflicts during the last 10-12 years, we can say that there are several groups of protest behavior, which most frequently occur in small towns/villages:



- **Tension related to delays in social payments.** In those cases we can observe conflicts with differing intensity; the forms vary from demonstrations to occupation of public buildings and sections of the national road network. The most well known are the occurrences in Northwest Bulgaria, in Varna, Yambol, Sliven, Pleven districts and others. Often the “trigger” for protests is incidents involving child decease or death.
- **Tension between Roma and Bulgarian populations.** The tensions usually escalate into open conflict as a result of criminal incidents. Depending on the seriousness of the incidents that vary from agricultural product theft to cases of rape and manslaughter, conflicts with different intensity are registered. The most serious such conflict until now involved the murder of Bulgarians in the village of Metchka and Stezherovo (Pleven district), which led to attacks upon the Roma population, arson of Roma houses and boycott of Roma clients in shops. The largest number of registered incidents is in Northwest Bulgaria.
- **Tension connected to wholesale agricultural production purchase.** The most typical cases are related to the purchase of products such as milk, tobacco and vegetables or are those affecting local interests (infrastructure projects, rivalry over water sources etc.)

Notoriety within the country was also achieved by a small group of towns/villages where tension emerged and which can continue to generate conflict behavior in the future. These are the three areas around the mines of the Former GORUBSO Union – Zlatograd, Madan, Rudozem. The population in these areas is “tied” to the miners’ settlements due to home ownership and the lack of alternative employment opportunities. According to different estimates in those areas currently live approximately 40,000 people in productive age. After the liquidation of GORUBSO the private companies-inheritors until now have not been successful and serious doubts exist regarding their future activity. Opportunities for mass spontaneous extremist behavior similar to that in some Zlatograd mines in 1998 and in Madan in the summer of 2001 exist. In this respect the assumption can be made that if the government does not succeed in launching the Gorna Arda Cascade project, serious disturbances in the region are possible.

2. **Tension and conflicts in middle-sized towns**

According to sociological research data during the last 4-5 years the towns where the readiness for protests and conflict behavior is largest are the former regional and current district centers. The most frequent and typical causes for the emergence of tension are the company closures and delay in salary payments. A particularly difficult period in this respect is the end of 1998 and the beginning of 1999 when the state companies that were incurring the highest losses were declared for liquidation. This period came to an end at the end of May 1999 when 41 companies were liquidated in order to conclude a new agreement with the IMF.

More than 10,000 people took part in some of the demonstrations. There were no reports of violence or property destruction during the protests. Despite the protests that took

place over several weeks the media coverage of these events, particularly in the national media, was very restricted. The trade unions also reacted apathetically.

The preconditions for the moderate character of the protests and the relatively sharp subsidence of the protest wave are several:

- **Relatively low expectations and hopes of the protesters.** Experience shows that protests arise most often in cases when the workers have high expectations. This statement is illustrated by cases when following a crisis period a company discovers a market niche for a longer term product distribution and protests for higher salaries, bonuses, compensations, etc. start. In all closed large companies, usually before their final liquidation, the workers have a clear idea of the difficult situation they are in. In this respect, a hypothesis can be formulated that the lower the expectations, the lower the readiness for conflict behavior and protests.
- **All large companies subject to closure usually dismiss their employees gradually and over a long time period.** For example, in 1990 Vidachim – Vidin employed 10,000 people. When the company was declared liquidated, approximately 4,000 people worked there. Initially, 5,000 people worked for Yambolen – Yambol, during the partial liquidation there were 3,000 workers, etc. This process is in effect a “braking factor” for a mass protest organization.
- **The hope that the company will re-start work or that part of the employees will be re-employed after its privatization.** Often the workers are threatened that if protests occur the company will be completely liquidated, whereas if they do not occur it could be at least partially saved.

The following could be pointed out as the most typical cases of towns belonging to this group:

1. YAMBOL (population 85,000). At the end of January 1999 three of the largest state companies in the Yambol district announced complete cessation of operation. Those companies were the chemical plant Yambolen, the agricultural machinery producer Sila and the canned food producer Yagoda. The companies employed 3,000 people not including seasonal employees. Cases of mass protest behavior in the town occurred when the situation first started to deteriorate in 1998.

2. VIDIN (population 60,000). The main reason for protests was the closure of tyre plant Vidachim that led to the dismissal of approximately 4,000 people. There had been periodical outbreaks of protests since the beginning of 1998, with initial demands for governmental aid and later for payment of withheld salaries. Following the closing of the company protest demonstrations were held over several weeks. As a rule those protests were peaceful. They received a low level of support from workers in the rest of the industrial companies, who, despite being in a serious position, practically did not join their colleagues. Two to three months after the closure of Vidachim the number of protesters decreased to 100-200 people with a main demand for delayed salaries payment. A wide spread individual reaction to the violent impact of Vidachim employees dismissal was departure from the town.

3. VRATSA (population 75,000). The main factor for social tension in the town is the largest company “Chimco” (artificial fertilizers plant). The company was privatized and its management has generally not been successful. Due to its debts to NEC (The National Electricity Company) and Bulgargas the company periodically reduces production and its employees take unpaid leave. The situation in a large part of the remaining companies active in the town is similar and the unemployment in the district is approximately 25%. In this respect a longer shutdown in Chimco serves as a tension catalyst.

4. PERNIK (population 90,000). Over the whole time period since 1990 the town has been looked upon as an instability factor due to two reasons – a large number of people employed in the heavy industry (miners, metallurgists, engineering plant workers) and its geographical proximity to the capital. With the start of restructuring and liquidations during 1998 the social tension in the town increased, but despite expectations walkouts from the plants and marches to Sofia did not occur. The main sources of tension are Mines – Pernik and metallurgical plant Steel – Pernik. The conflicts escalated at certain government measures or state company actions. A typical example is the 2001 threat by workers to block the international Sofia – Petritsch road if Bulgargas stops deliveries to the plant for unpaid bills. With the 2001 purchase of Steel – Pernik by Greek company Sidenor (a daughter company of the steel giant Viohalko) the situation went back to normal, although there are periodical reports of protest readiness due to previously unpaid salaries to dismissed workers (currently in the company work approximately 1,500 people compared to 5,600 in 1995). However, the situation in the town and district will continue to be high risk, mainly due to impending dismissals in the mining industry.

5. PLEVEN (population 130,000). The town periodically sees protest action related to the closed and afterwards privatized refinery Plama. The refinery stopped work in 1996. Periods of partial production capacity use support the hope that the company will restart work. This is probably the company with the largest number of organized protest demonstrations in Sofia during all governments since 1996. Periodically there are various protest actions in the plant, but periods of negotiations are followed by a lull. Due to the town size 2,000 refinery workers were able to find work (the new owners periodically hire part of the refinery workers) which led to a “softening” of the protests. In 2002 the tension is expected to continue due to external impediments for the refinery to re-start work.

6. STARA ZAGORA (population 160,000). The main cause for protests during 1998-2001 are post-privatization tensions in the denationalized plants from the electronic, engineering, mining and chemical industries. The most frequent source of conflict are the largest companies in the district, each with its own and different fate. The Disc Memory Equipment Plant (DZU) was sold to Hungarian Videoton and after large-scale dismissals the tension decreased. The liquidated Agrobiochim almost completely stopped production. However, the most serious problem in the town and region are RWE-Rheinbraun plans to freeze one of the three existing opencast mines in Maritsa-East. This is the proposal by the German concern in order to become involved with an investment in the region of 600-700 million BGN. This proposal was met with resistance by the Bulgarian miners, as in practice this will mean that the mining complex will become a huge construction site for a long time period. The

trade unions are adamant that if downsizing of employees occurs active protests can be expected.

The towns of **Sopot, Tcherven Briag, Karlovo and Kazanluk** can be regarded as a group with similar problems. Due to the fact that military plants used to provide work for a large percentage of the households in those towns, a major part of the population took part in protests. Due to the sharp decrease in orders after the Warsaw Pact disintegration, the first strikes and mass demonstrations started as early as 1992. The main reason was the delay in salary payments of many months. The discharge of employees did not decrease the tension as those towns are quite small and the local economy could not offer work opportunities even for part of the dismissed workers. Due to home ownership, lack of immigration culture and high unemployment figures for the whole country the unemployed stayed on in those towns and took part in protest actions during each crisis. According to experts those towns will continue to be a source of conflict regardless of occurring or under way privatization. The mass protests of 2001 are a confirmation of this forecast.

3. Tension and conflicts in the largest cities – Plovdiv, Varna and Bourgas

When assessing the potential for conflict of the largest cities it is necessary to take into account that those cities, similar to Sofia, are “scenes for street pressure”. Unlike smaller towns and cities, where political demonstrations are the exception not the rule, in Plovdiv, Varna and Bourgas mass political events are organized, similar to those in Sofia. We can observe that all major political conflicts (particularly the 1990 and 1997 ones) follow closely the example of Sofia. We have to point out that Plovdiv plays one important role due to its proximity to the capital. It is the largest source of demonstration participants from the country during large protest events in Sofia. Varna and Bourgas also have a specific and important part during moments of political tension. For example, they express the intention to “block” the ports. In order to “increase the block” the trade unions use the threat that the Bourgas refinery “Neftochim” will cut off fuel supply.

Until the summer of 1998 the unemployment in those cities was kept to a relatively low for the country level (below 10%). Despite the fact that the level of dismissal of industrial workers is comparable to the level in district cities, the protests outside plants are rare. After mid-1998 the protests with purely economic demands became dominant and the conflicts became more intensive. The reason is that the acceleration of the privatization and liquidation process during 1998-1999 led to a serious deterioration of the economic situation in those cities. However, we have to take into account the specifics of each of the three cities.

Varna (population 300,000) found itself in the most serious situation with the closing of the Varna Shipyard that employed approximately 5,000 people and with the sharp downsizing of people working in the Devnia Industrial Complex. When Varna Shipyard was closed the latent conflict became an open public protest; at its most intensive moments the Asparuh Bridge was blocked and there were street protests. Despite expectations that the conflict will be long and will reach extremes the protests calmed down within several days. The population, despite expressing sympathy towards the plant workers, as a whole did not support the protesters actively. Some of the reasons for the rapid calming down of the conflict are similar to those outlined

above for middle-sized towns – relatively low expectations, gradual dismissal of employees, lack of traditions in protest behavior hopes that work will restart. Several other factors have to be added to those reasons:

1. Weak trade unions with low level of confidence. Before a company is declared bankrupt a serious struggle for economic influence is observed between its management and the trade unions; this creates strong lack of confidence amidst workers.
2. Hardline governmental attitude not to yield to the workers' demands (the case of the railway workers and GORUBSO miners protests helped the development of cautious behavior by protesters).
3. Promises to solve the problem. Politicians continually assure the workers that they will solve the problem any minute. Thus, the workers perceive the work stops as temporary. When it becomes clear that this is not the case the workers have already dispersed and their mobilization is very difficult.
4. Varna represents a large workforce market and the most active individuals manage to adapt and to find work.
5. Restricted media coverage of the conflict. Unlike 1990 and 1997 when cameras showed close-ups of ongoing demonstrations and created an image of crowded protest meetings now they show background shots and report briefly on the event.

From the point of view of potential for emergence of conflicts in Varna, the main problem is related to the success of the Varna Shipyard privatization. If the attempts of the current government to find a strategic investor are successful we can assume that the tension will decrease significantly. If this does not happen the city will have to be observed closely for symptoms of large-scale protest organization.

According to economic analyses **Bourgas** has lost a significantly lower part of its industrial base. Unlike Varna, during the period of “large liquidations” 1998-1999 not a single large plant in Bourgas was closed. It is a paradox that the latest mass protest events are against the new private owners. The accusations are that the owners of companies with good potential such as Kambana, Bourgas Mills and Elkabel have ruined them. New demands for “deprivatization” have appeared. When analyzing the Bourgas potential for conflict generation it is necessary to point out several recent developments. Firstly, this is the tension in Port Bourgas. According to trade unions data the freight turnover has decreased dramatically by approximately 40% to last year figures. Accusations for such a result are mostly political, on one hand aimed at the country government, on the other hand, aimed specifically at the appointed incompetent management. The consequences of a potential strike will affect the whole country as the port handles two thirds of the goods turnover of the country.

Plovdiv is the city with the lowest number of registered cases of industrial conflicts. The closed companies are not large enough for a city of this scale to create a serious increase of the social tension. Current priorities are the conflicts with the local Roma

community that will be discussed separately. From the point of view of the future conflicts potential we can presume that large disturbances on industrial conflicts level cannot be expected. The reasons are two. Firstly, there are not many large industrial companies in the city that can be closed or that can reduce drastically the number of their employees. Secondly, the proximity to Sofia allows those who have lost their jobs to migrate. Much more serious is the conflict potential of the Roma ethnic group. According to all expert evaluations Plovdiv has the largest concentration of Romany population in the whole country.

C. INTERNATIONAL AND REGIONAL CONFLICTS

Some of the risks for emergence of conflicts in Bulgaria are related to the impact of international factors and regional conflicts in South-East Europe. **As a whole there is a dominant notion that at the present and in the near future there is no immediate danger of Bulgaria's direct involvement in international and regional military conflicts.** It is estimated that Bulgaria maintains very good political relations with its neighbors which implies no expectations for serious involvement in regional tensions. At the same time there are misgivings that some international and regional conflicts can generate tension and can affect the country's stability. Those potential conflicts are identified in several general directions:

1. **The most serious danger of the country's involvement in an international conflict is seen in the smoldering tension in Kosovo and Macedonia.** It can affect the country's stability in several ways:

First, a large refugee wave entered Bulgaria. During the military clashes in Macedonia an increase of the number of Macedonian citizens seeking refuge in Bulgaria was registered. According to UN data about 95,000 people from Macedonia have crossed the country since February 2001. At present there are 600 Macedonians with refugee status in the country. In total they are about 1700 and in 2001 the flow has increased by 20%. The press has reported an increased interest on behalf of Macedonian citizens in buying real estate in Sofia (both because prices are lower and because of the "nervous and unstable" situation in the country).

Second, this stimulated nationalist sentiment in the country. The historical ties of Bulgaria to the Macedonian population render public opinion very sensitive to all military and political threats aimed at Macedonia.

Third, there are suspicions that radical Islamic groups, supporting the demands of Albanians in Kosovo and Macedonia, have been activated. through Bulgaria during the wars of the former Yugoslavia.

2. **International terrorist activity is also identified as a risk factor for the country's stability.** The increase in the refugee flow from countries such as Afghanistan, Iran, Turkey and some Arabian and African countries is pointed out as the most immediate danger. There are indications that the creation of refugee camps within the country's territory leads to public discontent and mobilizes the protest potential.

No substantial refugee flow has been witnessed in Bulgaria in the last months. However, in the end of the year and the beginning of 2002 several groups of refugees trying to cross the border between Bulgaria and Turkey (coming from Turkey) have been arrested. The refugees were from Iraq and Afghanistan. Most probably this is a sign of increased refugee pressure combined with lower level of effort on behalf of Turkish border authorities. The event was tragic because several refugees froze to death and attracted considerable public attention. It is, however, still early to say whether this is the beginning of a “refugee wave” or just a border control flaw.

Regional Conflicts

“The largest external risk for Bulgaria was 1999 – Kosovo. This was a tremendous problem, the decisive issue that rocked the country. At present with democratization advances in the region I do not see another such problem, I do not see even that further escalation in Macedonia can affect affairs – Bulgarians have detached themselves from those things.” (A journalist).

“The threat for the Balkan regions is related to the danger of terrorism. It has increased regionally, but I do not think that the danger of military conflicts has increased. I believe that Bulgaria has to participate in international coalitions connected to conflicts and measures against terrorism for example.” (An International Institution Representative).

“After September 11 terrorism is really a very serious problem. Until recently Albania was a narcotics distributor. Now there is a narcotics overproduction, on the other hand there are undeveloped markets, among them Bulgaria. It is mainly terrorists who deal with drugs. The narcotics danger in Bulgaria is a product of terrorism.” (A business manager)

3. **Part of the interviewees express fear of Russia’s increased activity in the Balkan Peninsula.** Russia’s negative attitude towards Bulgarian membership in NATO and the inherited historical complex of a paternalistic attitude towards Bulgaria are pointed out as the most significant problems in the relations between Bulgaria and Russia.

“The largest conflict under the surface both in politics and in the economy is Bulgaria’s complex towards Russia... Russia wants Bulgaria to behave like a child who should be grateful to its parents, live at home and kiss their hand with gratitude.” (A TV journalist).

4. **Despite Bulgaria’s emphatic Euro-Atlantic orientation political tension between Bulgaria and the EU can arise in connection with nuclear power station Kozloduy’s fate.** The mobilization of significant social groups who actively oppose the premature closing of the power station’s first four reactors is noted. The internal public discussion between Bulgarian ecological organizations and those who oppose the station’s shutdown is also becoming more active.

IV. AT-RISK POPULATIONS AND KEY CONFLICT PLAYERS

A. SOCIALLY DISADVANTAGED AT-RISK GROUPS

This section will identify the social groups that find themselves in the most strained social situation. They will be characterized in the context of the general socio-economic development of the country and in terms of the complex set of factors (economic, socio-demographic, political, ethnic, socio-psychological) that determine their social standing. In the course of the interviews conducted and the analysis of the available statistical data and information from sociological surveys, several basic at-risk groups with a deteriorating socio-economic situation were identified. The respondents also noted certain **inconsistencies between the identified chief socially disadvantaged groups and the groups generating and actively involved in various conflicts**. For that reason these two partly overlapping social categories have been considered both in their interdependence and relative autonomy.

1. The Roma Population

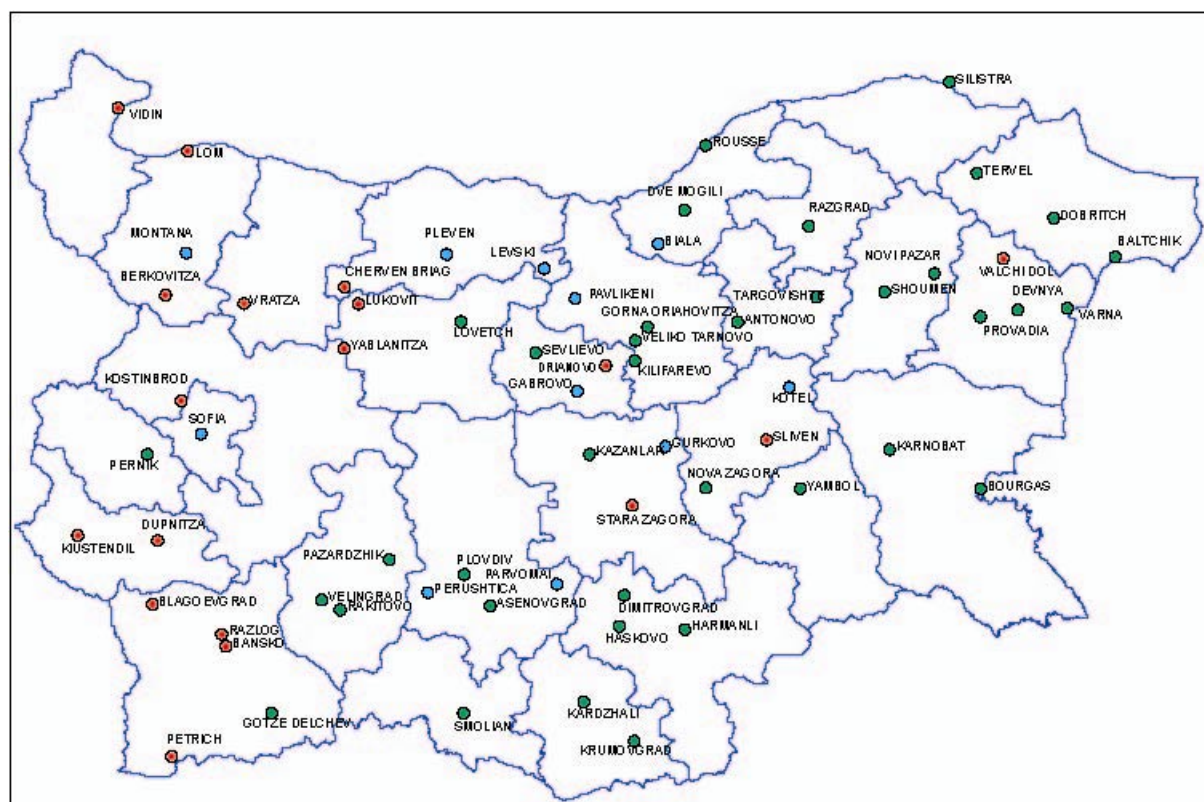
The Roma ethnic community was one of the most commonly identified socially disadvantaged groups. It is exposed to all the negative implications of the processes under way in society in general. This group fits the classical definition of a minority community in the process of marginalization: a minority group living in the big city slums, weakly connected with the official labor market, with poor qualification and education, characterized by increasing use of alcohol and drugs, ever younger birth-giving age, with long-term dependence on social assistance, and a tendency to engage in criminal behavior. In other words, this ethnic community accumulates so many symptoms of social pathology that there emerges a permanent state of alienation and it is gradually transformed into an “underclass”.

Many of the respondents considered in greater detail the characteristics of the Roma community in Bulgaria. The more notable observations can be summed up along the following lines:

- **Estimations of the number of Roma in Bulgaria are not quite clear-cut.** According to the 1992 population census, 313,000 Roma lived in Bulgaria. The latest census of 2001 found an increase of about 60-70,000 and their number has reached approximately 390,000. By some expert estimates, the Roma population exceeds 500,000 because part of the ethnic Roma identifies themselves as Bulgarians, Turks, or Vlasi. There are about 6,000 separate Roma neighborhoods in the country (See Figure 2).

⁷ See *Social Stratification in Bulgaria*, Social _ democratic Institute, Friedrich Ebert Foundation, LIK, Sofia, 2000

FIGURE 2. COMMUNITIES WITH COMPACT ROMA POPULATION



- **Unemployment among the Roma is widespread and long term.** Unemployment among the Roma had already assumed mass proportions by 1991-1992. In 1992 its rate was 4.5 times higher than the country average and twice higher than that among the Turkish population. The Roma are the most unskilled and uneducated workforce and are the first to be affected by lay-offs

A considerable number (between 2/3 and ¾ of the Roma, by some estimates) have been out of work for more than 10 years and unemployment is already becoming hereditary. Experts claim that when the rate of unemployment in a given community exceeds 30% and lasts more than 2 years, there occur such destructive changes that it is no longer capable of coping with its problems on its own. There is a call for a special re-integration policy on the part of society that requires significant investments and resources.

“One of the most vulnerable groups in Bulgarian society is the Romany population. The problems of the Bulgarian population such as unemployment and poverty are manifested most strongly for the Romany population.” (Local authority representative, Town of Sliven).

“The Roma are most affected, the hardest blows fall on them. I am afraid that if a way out of this situation is not found the events of January 1997 will be repeated. Prices, taxes and unemployment are increasing. The problems facing the current government are tremendous. The issue is to find work for the people, not social relief funds (Religious organization representative, Town of Lom)

“The most vulnerable groups in the existing socioeconomic conditions are the Roma, because they are affected by the highest extent by unemployment. Mostly they are a poorly qualified workforce.” (A trade unions representative, Varna).

- **The education level of the Roma is constantly declining.** Currently young Roma have a lower education status than their parents’ generation. This is viewed as a very dangerous setback for the community. According to a representative survey of 1994, in excess of 50% of healthy Roma children do not attend school, and in 1998, in some of the most marginalized neighborhoods, about 70% of the Roma children had either not started at all or were dropping out of school already in the early grades.

“... the drop out rate from schools has increased drastically. Currently young Roma have a lower educational status than their fathers’ generation and the same as their grandfathers. This is relapse is very dangerous for the society.” (A sociologist).

“We, the minorities, are those that suffer the most from the democratization. This is not a question of ethnic conflicts. We do not have such. The question is that no one wants to employ us, because we are not educated, we are not learned. There are no jobs for simple people. And we have large families and scandals occur every day, because there is nothing to eat.” (A Romany community representative, Town of Rousse).

“Roma do not see the need for their children to go to school. They live in their “ghetto” and do not see the need to “go outside the gates”. ... We have to give them incentives so they see the need to leave the “ghetto.” (Local authority representative, Town of Sliven)

- **In the Roma ghettos healthcare, and consequently the health of the Roma population, have been deteriorating.** At present, about 17% of the Roma households do not have a GP, and in excess of 50% are not registered

with a dentist's office. About 17% of the Roma have not had the standard immunizations, which poses a risk to society as a whole. The rate of invalidism among the Roma population is also on the rise. So is the number of early age marriages and young mothers (an additional motive are the social benefits for young families and child support allowances). According to a survey conducted in Asenovgrad, for instance, since 1994 cases of epilepsy have increased with the higher number of marriages where one of the spouses is an invalid or epileptic. The rate of children born with hereditary diseases is growing, too – epileptics are entitled to disability pensions that are higher than the social assistance benefits.

- **The Roma population is extremely heterogeneous and politically unorganized.** By expert estimates, it is possible to distinguish about 60 subgroups within the Roma community. For example, the Kardarashi and the Lovari, who are in the best socio-economic situation in relative terms, are divided into as many as 13 subgroups, 4 of which earn their living primarily through theft and fortune telling. They are striving to achieve political representation and definite political positions. Some respondents associated this with the practice of buying votes and political support. Family and clan feuds, however, stand in the way of Roma unification. In some cases internal ethnic divisions are even stronger than the external ones.
- **The criminal contingent among the Roma population is increasing.** The opinion was expressed that the former social world of the Roma has been shattered. Expelled from the spheres of labor and education, they inevitably resort to various forms of criminal behavior: theft, drug dealing, prostitution, traffic in women, and others. Some respondents even argued that the Roma have actually decriminalized theft and have come to perceive it as a means of survival, rather than a criminal offense.
- **Negative attitudes to the Roma ethnic community are increasing among the Bulgarian population.** Some respondents referred to sociological findings that Bulgarian students in grades 8-11 and young people aged up to 25 are far more prejudiced and hostile to the Roma than the middle and elderly generations. At the same time, the Roma increasingly believe that “*Bulgarians are racists*” and tend to blame them for their hardships. This situation of mutual estrangement is considered to “*presage a future conflict*”. Both the interviewed representatives of the Roma community and some of the Bulgarian respondents shared the opinion that Roma problems are largely ignored by the Bulgarian society and that there is no coherent government policy to address Roma problems, with the individual initiatives being largely palliative and not particularly effective.

“A basic problem with Roma when in contact with institutions is illiteracy, lack of knowledge of laws and regulations. When you add the negative attitude of some administrators towards them the result is an immensely difficult access for Roma to information and to contact with institutions, be it state or municipal.” (A doctor, Town of Sliven).

“For example, under EU pressure a Program for Work with Roma was approved, but this program remained on paper and is not applied. A change is needed not only in the laws, but also in their application. Governmental institutions need people who know the Romany community and can work with them. Those people have to act as a balance for the different interests.” (NGO Representative, Town of Sliven).

In this context some predicted ever more frequent occurrence of “*ethnically tinted riots by hungry crowds*”, which may involve violence. It was noted that “*the souls of these people are swelling with resentment and rage*” that may explode into uncontrolled violence.

2. The Unemployed

Unemployment is one of the chief factors leading to a decline in the standard of living, rate of consumption, and social status of a large part of the Bulgarian population. The problems of employment are considered an important source of industrial, labor, social, and ethnic conflicts. The unemployed are definitely regarded to be an at-risk group implicated in different ways and to a varying extent in conflict situations.

There is a high rate of unemployment in this country. On an average monthly basis, in 2001 the unemployed made up 21.4% of those surveyed, versus 18% in 1999, and 20.3% in 2000.

TABLE 1. RATE OF UNEMPLOYMENT, NUMBER AND STRUCTURE OF THE UNEMPLOYED IN BULGARIA

Registered unemployed	Fourth quarter 2000	Fourth quarter 2001	4 th q 2001/ 4 th q 2000 (%)
1. UNEMPLOYED - TOTAL:	680,052	652,195	95.9
1.1. Unemployed women	361,124	339,618	94.0
1.2. UNEMPLOYED AGED UNDER 29	193,219	178,226	92.2
1.3. LONG-TERM UNEMPLOYED (REGISTERED > 1 YEAR)	281,990	333,160	118.1
1.4. Unemployed skilled workers and professionals:			
Total	122,732	107,479	87.6
Of whom with higher education	47,491	39,519	83.2
2. Rate of unemployment	17.8	17.1	- 0.7*

* Percentage points

Source: National Employment Agency

The rate of economic activity of the population has remained relatively low in recent years, except for the months when the retired and the students join the labor market. On an average monthly basis, in 2001 those employed full-time made up 34.3% of the population aged 15 and over (versus 36.5% in 1999 and 34.2% in 2000). The average monthly rate of part-time employment was 4.2% (4.1% in 1999, and 3.8% in 2000). The rate of economic activity is considerably higher in the towns (52.9%) compared to the villages (37.5%). By gender, the rate is 52.4% among males, and 44.0% among females.

Within the group of the unemployed three categories were identified as being subject to discrimination in the labor market:

- Those who are undoubtedly most discriminated against are the unemployed Roma, whose situation was considered above.
- Secondly, those are the people at pre-retirement age. They have been expelled from the labor market but owing to the retirement system reforms they are unable to meet the required number of years of employment, which has been raised repeatedly, and are not entitled to retirement pensions. Many of those people have been out of work for ten years. They can only rely on employment in the shadow economy, but that does not solve the problem with pension and health insurance. This category was defined as a “time bomb” because each year their number grows by about 50,000. Now this at-risk age group is beginning to swell with the far more numerous generations of the post-war demographic boom, when the birth rate was 150,000 in contrast to 60,000 births at present.
- Another group suffering discrimination in the labor market is women aged 40 and over, for whom it is extremely difficult to find work. Other things being equal, employers generally prefer younger people. The typical excuse is that young people are better educated, fluent in foreign languages, and computer literate. It is equally true, however, that they commonly agree to work without labor contracts, with lower remuneration, and without social and health insurance plans.

“The hardest situation is in the small and middle-sized towns where the unemployment reaches 60-70% of the workforce. Sofia is affected to a smaller extent...” (Religious organization representative).

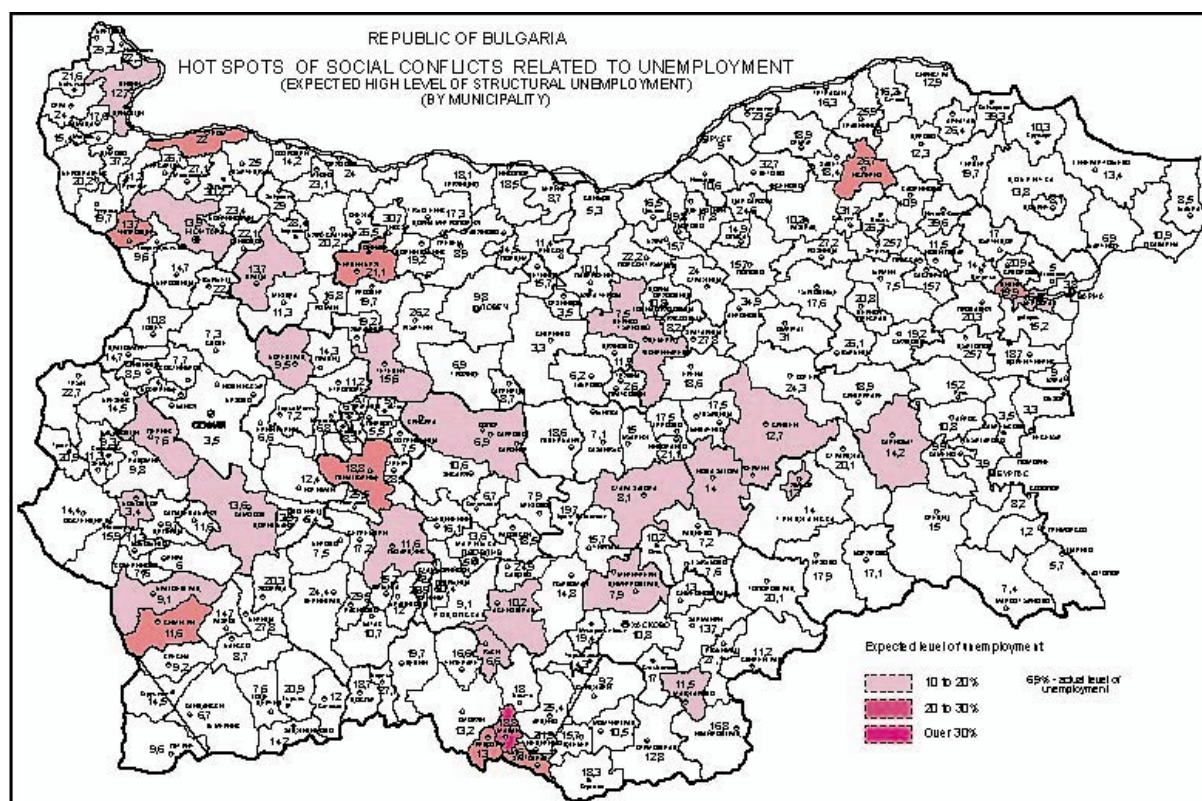
“The most vulnerable today are the unemployed and pensioners. Also the gypsies, because they are on a lower level culturally, not because of discrimination. Despite the fact that during the years of socialism they were forced to go to school. They were also relocated forcefully to the modern areas of the large cities, so that they could integrate. In the villages they worked in the agricultural cooperatives – there were thefts, but the thefts were different and there were things that could be stolen, now there are none.” (A Varna Shipyards Representative).

“It is not a coincidence that the most vulnerable groups are those that have just left secondary school but do not have any experience, those who were dismissed when the companies in the region were restructured (40-60 years old) and the unqualified workers. All three groups are affected the hardest by unemployment, because when the foreign companies recruit, they look at who can be of use to them, not at their ethnic and religious background.” (A local authority representative).

The tendencies characterizing the dynamics of employment and unemployment in this country can be resumed as follows:

- Unemployment among the Bulgarian population is relatively stable and generally keeps up a high rate. Employment fluctuations occur mainly on account of the seasonal cycles in the economy and the withdrawal from economic activity of part of the workforce.
- There are large shares of long-term unemployed and unemployed at a pre-retirement age. The base (in terms of number of employed and the volume of incomes from employment) of the social insurance funds is shrinking and they are accumulating an increasing deficit. This burdens the budget with additional expenditures on social assistance benefits and gives rise to resentment of the retirement system reform.
- Employment opportunities in the rural communities are highly limited (particularly in the winter). Unemployment is concentrated in the ethnically mixed regions (in Northwest Bulgaria) and in municipalities with Roma population.
- The measure of anxiety about unemployment tends to be affected by the objective state of the labor market, as well as by political developments. All too often, the subjective perceptions diverge far too much from the objective reality and this produces disappointment and discontent.
- The strategies for coping with unemployment are largely based on renouncing the pursuit of the desired career in the name of securing a living. The readiness for territorial and occupational mobility is declining. There is a relatively large share of people who are too discouraged to seek work if they should lose their jobs.
- Large groups (mainly long-term unemployed and people at pre-retirement age) remain uncovered by existing employment programs and this reduces their chances of finding work, or else they are unable to meet the retirement conditions.

FIGURE 3. HOT SPOTS OF SOCIAL CONFLICTS RELATED TO UNEMPLOYMENT



3. The Retired and the Disabled

People suffering from disabilities constitute a highly at-risk group under the conditions of the Bulgarian transition. They are 350,000 at an active age. Adding the retired and the children, they number about 600,000. This group is confronted with a great many social problems – highly limited employment opportunities, lack of competitiveness in the labor market, low incomes, restricted access to proper healthcare, limited ability to purchase medications, infrastructure unadjusted to their needs, etc. Basic problems of the disabled include the inaccessible environment, the isolation, and lack of access to information. They can only rely on their very small social pensions and their situation is deemed extremely grave.

The elderly and lonely people were cited as another at-risk group. The number of the elderly pensioners is about 2.4 million, which aggravates the demographic situation in this country. Here the problems are related to the small retirement pensions, lack of additional incomes, limited access to healthcare, weak mobility, etc. Some expressed the opinion that *“they have been completely forgotten by everyone”*. Even the third sector is not too concerned with their problems and hardly any social investments are made to help them.

“The most are the pensioners, particularly those who live alone, who have lost their marital partner.” (Representative of the academic community).

“Objectively, the most vulnerable group in Bulgaria is the one that from the point of view of their age did not have time to adapt to a market economy, to competition, the group whose conscious life has been spent in another system, in another paradigm. They did not have the time or the resources to adapt and remained captive of the charity of the active population.” (A Member of Parliament)

4. Children

At-risk children make up another quite significant group. The core of this group is made up of orphans and children from single parent families. About 35,000 children live in the social establishments alone. But twice as many remain on the outside – from single parent Roma families, abandoned, homeless children, etc. Regretfully, they are not covered by the education system and all too often suffer from disabilities. If they are healthy, these children run the risks of alcoholism, drug addiction, and prostitution. These children pose an extremely grave social problem but they are generally not involved in serious conflicts. However, they are the potential future recruits of various groups liable to get involved in conflicts – the unemployed, criminals, the sick and the disabled, etc.

5. Women

Poverty among women is particularly common in female-headed households and among minority groups (especially Roma) where general adversity and gender specific factors combine to produce long-term poverty. Some recent survey data⁸ show that the income per capita in households with female providers is on average 25% less than in male-headed households. While in male-headed households the main providers contribute about 2/3 of the income, in female households they account for more than 3/4 of the income. The property owned by female households is less than in male households and they lag behind in the possession of luxury consumer items. Women have fewer savings, which makes them more vulnerable to the shocks of the economic crisis. Female households (approximately 2/3 of them) are prevailingly poor in terms of the concept of “absolute poverty”.

One of the important contributory factors for poverty among women is the common practice for women to work without remuneration in family-run businesses and to occupy positions that are underpaid (retail, services, administration, manufacturing, etc.). The share of women in the informal sector is growing. Survey data also revealed that household chores are almost entirely the obligation of women. The spouses in less than 10% of traditional households share such tasks. The extra workload on women becomes a basis for inequality, because women can spare less time for education, training and additional paid work.

⁸ *Republic of Bulgaria: Women in Poverty*, International Labor Office, Geneva; UNDP; 1998

For women divorce is a definite poverty factor in cases where custody of the children has been awarded to them. The loss of a second income in the household, the low alimony paid and low child support allowances, lead to poverty – not only for women, but also for the children. One of the most marginalized groups is single mothers. The growing number of children born outside marriage has important implications for women's living standard. For example, one in three children born in rural areas is born outside marriage.

Female minority groups (Roma and Bulgarian Muslims) are among the poorest and most marginalized. The specific characteristics of their ethnicity placed the burden of the crisis mainly on the women and female children. By tradition, in most Roma subgroups, women have to provide for the physical survival of the family. However, their lives are often characterized by hunger, poverty, a large number of pregnancies and physical abuse, leading to physical exhaustion, premature births and children burdened with hereditary diseases or disabilities. The considerable number of children is another important factor of poverty. Among Roma women there has been a dramatic increase in the number of single mothers and divorced women who have to raise their children alone.

The situation of Bulgarian Muslim and Turkish women is affected by their high rate of unemployment. Bulgarian Muslims live predominantly in economically underdeveloped mountain regions. After 1989 the industrial workshops in the villages, which had provided employment mostly for women, were closed down. Female unemployment is partly attributed to the influence of Muslim religion and traditions, generally encouraging women to stay at home. The reduced financial capacity of the families accounts for the decreasing number of girls who continue their education after the eighth grade in villages without secondary schools.

"... We view the women as one of the most vulnerable groups. Separately within this group there are subgroups of more vulnerable women – the unemployed, women before and after maternity past 35-40 years of age. We estimate that not enough attention is paid to the specific problems of those groups of women. We only speak about policies aimed for example at females from minority groups, but these policies are viewed separately from the general social policy, although this should be taken into account." (An NGO Representative).

6. Other At-Risk Groups

Nearly all of the local communities in the periphery of the country and the mountain regions perceive themselves as forsaken by the state – that is a very common attitude in the Rhodopi mountains, in Northeast Bulgaria, and Northwest Bulgaria. It is not specifically associated with any ethnic groups. For example, the population is of mixed ethnic background in the Rhodopi, but in Northwest Bulgaria Bulgarians predominate. At the dawn of the democratic changes it was precisely in the mixed Bulgarian-Turkish regions that tension between Bulgarians and Turks was most intense. In recent years a new type of local outlook has come to emerge there, essentially asserting that *"faced with the crisis, we're all equal here, and our common*

enemy is Sofia, the capital, the political class". In these regions there are no longer any significant observable symptoms of ethnic tension between Bulgarians and Turks.

In addition, large categories of public sector employees also feel vulnerable and neglected. The reasons are above all dissatisfaction with the low incomes, persistent anxiety about their collapsing status, constant fear of lay-offs, implantation of political reasoning and concerns (one government will lay off certain people and the other one will go after others, etc.). Lay-offs are typically accounted for in political terms.

Small business owners and craftsmen also appear to have a certain sense of being discriminated against. These categories have a greater potential and readiness to engage in protests. As a rule they easily organize protest actions and pressure groups, although objectively their problems can hardly be as grave as those of the socially disadvantaged at-risk groups. Very often they manage to convert the tension into what the authorities define as a conflict. In contrast, the retired and the disabled can hardly do anything of the kind.

"The most vulnerable groups in Bulgaria are the pensioners, teachers and doctors; also the young unemployed. All three groups could possibly find themselves in situations of tension and conflict due to low level of disposable income or the lack of any income whatsoever. Pensioners, teachers and doctors have already protested more than once." (A teacher)

"The intellectuals. As far back as I can consciously remember, I think that the intellectuals have always been most done wrong." (A lawyer).

B. KEY CONFLICT PLAYERS

The analysis of the more notable social conflicts in the past decade makes it possible to identify the social groups most actively involved in them. Throughout the period since 1989, the times of mounting tension and the ensuing open conflicts have inevitably been marked by the involvement of definite "activist groups". Depending on the time and situation these groups have had a different background and have played different roles – the active core in organizing street protests, a pressure instrument of the emerging political elites, an instrument of internal rivalry among the newly formed elites, a means of vindicating economic interests, etc. Regrettably, to date there have been no special studies on this recent phenomenon in modern Bulgarian history. This section of the analysis will attempt to generally outline some of the activist groups that have emerged as key conflict players.

1. Student activist groups

They emerged immediately after November 11, 1989 and it is not by accident that the Federation of Independent Student Associations became a cofounder of UDF. The largest number of participants in these activist student groups came from Sofia

University⁹. There was considerable involvement of students from the Technical and Medical Universities in Sofia. At the same time, although student communities were among the most active protesters, outside the capital public protests were relatively limited. It should nevertheless be noted that in nearly all of the larger university centers such as Plovdiv, Varna, Russe, Blagoevgrad, and Svishtov, students took part in the street demonstrations. In this period the activist student groups were fragmented and were reproduced on a university or faculty level. Throughout the period of student protest action in 1990-1992 and subsequently in 1997, there did not emerge a universal structure in position to unify the student protests.

There were different mechanisms of mobilization of the student groups. An important role was played by young university professors. They not only provided the ideological basis, but also helped organize the students. Similarly to the other student protest movements in Eastern Europe, the more established student protest groups did not share a common ideological platform. Anti-communist ideas and opposition against the communist establishment that had been dominating political, economic, and academic life, primarily marked the period 1989-1992, up to then, and the pro-western orientation of the student leaders exerted a strong influence.

Some surveys of the summer and November student strikes in 1990 revealed that the number of active participants in the protest actions amounted to about 10-12% of the students in Sofia (i.e., between 3,000-3,500 people). By estimates of the protest leaders, the regular participants numbered about 1,000.

As a result of the drastic rise of unemployment and the easier access to higher education, after 1990 the number of Bulgarian students increased dramatically – from about 70,000 in 1989 to 230,000 in 2001-2002. **Despite the increased number of students, on the whole their protest potential and readiness to engage in conflicts declined.** Students' socio-economic problems superseded the political demands on their agenda. For some young Bulgarians university enrollment also became a social-protection mechanism (*"You stay there as long as possible so that you don't have to register as unemployed"*). Owing to the almost complete withdrawal of state support for Bulgarian students and the parents' inability to support their children, a considerable part of the students have permanent or temporary jobs, and part-time work is becoming the only means of survival. Despite these characteristics, which could be expected to make Bulgarian students key conflict players, surveys indicate widespread political apathy and absence of solidarity. Such attitudes are also fostered by the predominating personal strategy – "salvation through emigration".

2. Public transport workers

This occupational group has played the role of a specific catalyst in political conflict evolution in Bulgaria. Based on the registered conflicts in which this group has been

⁹ One precondition for this was the liberal atmosphere in the largest education establishment in this country in the 1980s. Sofia University concentrated nearly all of the renowned professors with a communist-reformist outlook. Unlike Poland, Czechoslovakia, or Hungary, for example, in this country the public declaration of non-communist views was an extremely rare exception.

involved, three more active subgroups can be distinguished: drivers in public transport, taxi drivers, and rail workers.

Owing to the key importance of public transport to the normal functioning of the bigger towns, politicians (and trade union leaders) are often tempted to use the drivers to pressurize the government. In both of the major political overhauls in November 1990 and February 1997, the halt and blocking of public transport, in addition to thwarting activity in the capital, had a particularly strong impact on the government. It should be noted, however, that the strikes of transport workers are only successful when declared in the context of a political crisis. Whenever this occupational group has raised economic demands, their strikes have failed. In this respect the most eloquent examples were the public transport strike in Sofia in the summer of 1992 and the strike of rail engine drivers in March 1998.

When assessing the conflict potential of transport workers it is necessary to make certain distinctions regarding the present state of the three groups. Concerning public transport drivers, economic conflicts are most likely between the local government authorities and the drivers working for the respective city transport company. As a rule, there is little solidarity among public transport drivers from different towns or even among different transport companies operating in the same town. In this sense, participation of public transport drivers in protest action in the cities is only likely under a situation of extreme political instability.

With regard to those working for the Bulgarian National Railroad Company (BNR), the present economic state of the company portends serious future confrontation. In late 2001 the trade unions and CNSB in particular, tried to set off a national strike. The 2-3 months overdue salaries motivated this. The strained financial situation of BNR is conditioned by its large debt amounting to BGN 120 million and its far too great payroll – about 37,000 employees. The need to restructure the company and lay off in excess of 5,000 employees will probably generate serious social tension. Last but not least, it is necessary to take into account the strong interest of the trade unions in BNR as one of the few remaining big state-owned companies that can be used to pressurize the government.

Since the events of March 16, 2001, when taxi drivers occupied the square in front of the National Assembly¹⁰, politicians, analysts, and the media have started to devote special attention to this particular transport worker subgroup. During the protests against the price increase of low propane gas in November 2001 it became clear that the actions of taxi drivers needed to be closely watched in the future. The preconditions for the emergence of this typically Bulgarian “taxi driver phenomenon” date back to 1987, when Bulgarian citizens were allowed to use their personal vehicles as taxis without restriction. As a result, taxi driving turned into a particular sector of part-time employment. The people (mostly men) laid off from enterprises and institutes would wait in line for clients for whole days but would not identify themselves with the humiliating category of the unemployed. It is hardly by chance that this subgroup demonstrates a strongly negative attitude to the political status quo and to the governing political elites, and an inclination to engage in more extreme behavior. The specifics of this occupation – confrontation with the newly rising crime, securing work through information, high mobility (the drivers can get together at the

¹⁰ On the occasion of the death of the daughter of one of their colleagues.

location of an incident within a few minutes), and constant radio connection (quite comparable by quality with that of the police), foster considerably higher solidarity compared to the traditional industrial occupations despite the absence of a common union or professional organization. During the protests of March 16, 2001 in many of the larger towns there were demonstrations of solidarity and groups were organized to protest in Sofia. Politicians and business organizations appeared to realize the implications of this high capacity for mobilization and solidarity. During the protests in November 2001, the owners of propane gas stations used the taxi drivers by providing material support for their actions.

The protests in the course of the past year indicate that this group is undergoing further radicalization. The reasons are the deteriorating economic situation since mid-1999 and the expansion of the “fixed itinerary taxi” service, which strongly limits the taxi service market, in Sofia in particular. As a result, out of approximately 10,000 taxis in Sofia, 25% remain in the shadow economy, which further heightens the tension in the market. The situation is similar in the largest cities such as Varna, Plovdiv, and Burgas. In this context, this group can be expected to be among the most active initiators and participants in future protest actions, particularly in relation to the economic (fiscal, price, income) policy of the government.

3. Industrial workers

Despite expectations that the wave of large industrial company closures would lead to industrial conflicts which could provoke political instability during the period 1998-1999 this did not happen. Some of the reasons for this development were discussed in the section about the regional dimensions of the conflicts. It is necessary to take into account some additional factors related to the Bulgarian industrial workers.

- Lack of tradition in industrial protests. Unlike Western European countries, every pre-1990 attempt for protest behavior in Bulgaria was considered by the government to be a political threat. This was the reason for the uncompromising “crushing” even of insignificant protest incidents.
- The large majority of Bulgarian industrial workers are either first or at the most second-generation workers. They were born predominantly in Bulgarian villages and are not related to the classical working class culture.
- The trade unions are heavily compromised due to their post-1990 political commitments. TU leaders often reach agreements with new owners at the cost of sacrificing their members’ interests.
- Politicians often use strong-arm methods to avoid protests at times of company closures.

Despite all this, the professional groups of miners, dockers, metallurgists, engineering plant workers continue to be able to mobilize and organize themselves for protest action. Nevertheless, their behavior shows that they engage much less often in

political conflicts and that their protest actions are above all connected to economic and social issues.

4. Retailers, artisans, small scale producers

After 1990, the retail trade became one of the areas to absorb recently unemployed workforce. The precondition for such development was the restitution of town/city property that created tens of thousands of small shops in the large cities and the opportunity for cross-border “suitcase” trade with Turkey, Greece and former Yugoslavia. According to expert opinion between 1/4 and 1/3 of the 900,000 employed in the private sector are engaged in precisely this sort of trade.

The entry of large hypermarket chains such as Metro, Billa and Ramstor, as well as supermarket chains (Fantastico, for example) led to a sharp decrease in the level of employment in the retail trade. As a result during 2000 and 2001 we can observe a rising wave of people ready to protest. At the same time the absence of mass protests is explained mainly by the lack of organization and solidarity within those groups.

5. Trade Unions

The role of the Bulgarian trade unions went through a complicated evolution. At the beginning of the transition period the existing state-controlled trade unions (the only trade unions that were active during the T. Zhivkov regime) managed to keep a significant part of their members and to create a stable structure – KNSB. They were relatively successful in opposing the newly created anticommunist trade union Podkrepa (Support), which tried to follow the example of the Polish Solidarity. Unlike Podkrepa which was initially a UDF (Union of Democratic Forces) member and often organized political demonstrations against the Bulgarian Socialist Party (BSP), KNSB tries to maintain political neutrality. At the same time, in order not to lose influence and support, the KNSB leadership shows a moderate opposition to the former business management of the state companies. Politically KNSB's participation in the national strikes was the key factor for the downfall of the two BSP governments in 1990 and 1997. When the UDF came into power at the end of 1991 the first conflicts between UDF and Podkrepa leaderships occurred. This conflict reached a high point during the transport workers strike in the summer of 1992. Until 1997 Podkrepa continued to have tense relations with UDF. Despite contributing actively to the BSP government downfall during the January-February 1997 protests, relations with UDF remained cool. Unlike Podkrepa, KNSB significantly “warmed” its relations with the governing ODS (United Democratic Forces) coalition until it became possible for a member of the union leadership to be a minister in Ivan Kostov's governments.

During the last 2-3 years the positions of the two trade unions become closer until common protest actions were undertaken. After the victory of the NMSS Simeon II (National Movement Simeon II) in the parliamentary elections and the increase of social tension in the autumn of 2001, the leaders of the two principal trade unions KNSB and Podkrepa expressed many times their readiness to organize mass protest actions, stemming from the deteriorating socioeconomic situation in the country and from the government's inaction.

As proof of their potential, on 1 November 2001 the two trade unions organized a protest meeting during which they announced that 10,000 protesters took part in it. The trade unions showed a satisfactory level of organization by bringing people from the whole country in 180 buses. The mass media covered the protest benevolently and objectively. Nevertheless, according to expert opinion, the trade unions' ability to mobilize protest behavior is severely restricted post-I Kostov's government. According to public opinion polls between 10 and 20% of the population express support for the two trade unions (opposed to 40-45% during the 1994-96 period of Z Videnov's government). However, some analysts express the hypothesis that after the "strong arm Kostov style", Simeon Saxe-Coburg's government is so weak that the trade unions might try to achieve a "renaissance" of their influence. The basis for such estimates are for example the protests by gas suppliers regarding the introduction of excise duties on their products.

As an important indicator of the trade unions' protest potential and of the possible threats against the national stability the level of drawing together of the trade unions and the political forces in opposition should be observed closely. However, it is important to note that the leader of Podkrepa Konstantin Trenchev is one of the loyal supporters of Prime Minister S. Saxe-Coburg and that at present protests organized only by one of the trade unions will not bring significant results. It is worth noting that the former KNSB chairman professor Krastyo Petkov (currently an MP from the Parliament group of the Democratic Left) demanded in an open letter to the imminent KNSB congress the replacement of current leader Zhelyazko Hristov and the distancing of the trade union from ODS. According to his words, KNSB should not behave as a right wing trade union and should not organize illogical protests and strikes that exceed the level of trade unionist demands. Despite the fact that this opinion was also expressed by part of the participants in the congress, Zhelyazko Hristov was re-elected by a large majority.

6. Media

Following the emergence of the first independent media in the country one can observe the trend that they most often participate as a catalyst to emerging conflicts. Usually they are used both by the political and economic elites as a tension relay and much less often as a "softener" of social tensions.

Even without an analysis of the conflict coverage in individual media, various campaigns defending the interests of particular economic groups can be tracked. Post 1999 there was a number of cases when political figures were attacked in order to defend specific business interests. In this context the media are sometimes used as a supporting tool for the creation of tension in a given company, local authority institutions or state structures. The best examples of the catalyst role of the media are the January 1997 and March 2001 events. In both cases the live reports of Radio Darik managed to bring several thousands of additional participants in front of Parliament. It can be said that the radio anchors sometimes initially fuel the extremist behavior during demonstrations and meetings and afterwards try to calm down the situation.

When analyzing the preconditions for the media impact as a conflict catalyst we have to take into account that this coincides with their interests in several directions.

- Extreme behavior and conflict over-exposure means better sales figures for the media. When sharp clashes and social conflicts happen the daily newspapers circulation increases by 20-30%. Catastrophic headlines sell better than the rest by a margin of 20%.
- Post 1992 the chain of transformation of media influence into political and hence, economic, influence is one of the main reasons for investment in mass media. The cases of defense of specific economic interests can be tracked down to their dependence from the ownership of the media.
- One can distinguish three levels of interest in the Bulgarian mass media behavior. The highest level is connected to the media ownership. Usually the owner pursues strategic targets via the editorial policies of the media under his control. Those policies can change due to change of ownership or shift of interests. On medium level there are media campaigns connected with the interests of a specific client. Editors and leading journalists, without the owners' involvement, can serve the client on the basis of a private interest. On the lowest level and on the basis of individual payment, journalists can publish material(s) defending specific political and economic interests.
- It is worth noting that besides the strengthening of economic interest influences, after the mid-90s journalists have formed predominantly negative attitudes towards the political establishment. As a result even a special editorial policy for support of the governing political force often proves insufficient to curtail negative coverage. As a result of this rule Bulgarian journalism starts to "corrode" each new governing body. The only exception over the last 12 years is Ivan Kostov's government when critical publications became dominant only year and a half before his mandate expired.

7. Police and Security Services

With the start of political changes public attention focused on the police; in a way similar to other institutions connected to the internal national security the struggle for influence led to constant personnel and organizational restructuring of the Ministry of Interior. The connection between the pre-1989 People's Militia (transformed into the National Police) with the security of the governing communist party made the top and mid management levels a target for constant changes. As a result in times of sharp political conflict, particularly in the capital, the security forces prefer not to get mixed and to avoid the use of any force whatsoever. At the same time, according to Early Warning Report and local monitors' reports, there are often cases when in small populated areas the police force disperses protests of unemployed and socially vulnerable people promptly and forcefully.

The fact that the security forces and particularly the police avoid active action against extremist groups on the street at times of political instability becomes a problem for the political government. In this context the strategy to apply pressure via the street becomes attractive and is purposefully used by various political forces. Such conduct

leads to the possibility that individuals with extremist attitudes can take to extreme forms of protest behavior. Over the last 12 years cases of blocked streets, building occupation, assault upon politicians and forceful entry into party buildings and the Parliament have become typical. Despite the fact that the number of people who take part in such extreme forms of protest is low and that as a whole part of the participants are well known to the security forces, it is not known that preventive measures have been taken. Following those incidents there are practically no instances of arrests and concluded court proceedings.

V. ROOT CAUSES AND IMMEDIATE FACTORS

Four main categories of causes emerged from the 100 interviews and quantitative and qualitative additional research: (1) socio-economic causes rooted in increasing poverty and especially imbalance of social, economic and cultural opportunities; (2) cultural causes, rooted in negative stereotypes and discrimination against defined groups of people; (3) causes related to non-democratic and ineffective governance, leading to lack of political participation, alienation of the population, delegitimization of the government; and (4) the absence of processes and effective mechanisms for peaceful conciliation of groups' interests.

These causes were further analyzed using a framework designed to probe for sources and drivers of conflict as well as capacities for peace and mitigation or prevention of conflict.

1. Predisposing Factors: What structural conditions are generating divisions between significant groups in society? What structural conditions are easing or bridging divisions within society? For these predisposing factors, or underlying/root causes, we focus on those conditions that affect *basic human needs*, such as subsistence, security (physical and psychological), identity, social recognition of identity, and effective participation in the processes that determine the conditions of security and identity. Perceived deprivations of these basic needs are underlying causes and ongoing drivers of conflict.
2. Enabling (Aggravating) and Mitigating Factors: What factors or processes exist in society that can mobilize or divide distinctive social groups in confrontation? What contentious issues are surfacing and being disputed by different parties? To what extent are stakeholders obtaining and using resources necessary to mobilize supporters and take collective action that could become violent or coercive? How effective are major processes and institutions in alleviating the social and economic problems perceived as potential sources of conflict? How effective and efficient are processes for conflict management?
3. Triggering and Restraining Factors: What specific events are raising public tensions? What events or acts limit violent expressions or interests, or transform them into more conciliatory behavior?

This type of analysis permitted us to take into account several aspects of conflict dynamics in evaluating the risks and possibilities for prevention of conflict in Bulgaria:

- That the sheer existence of a large number of social and economic distresses (such as poverty, unemployment, insufficient social services, environmental degradation, corruption, criminality), as is the case in Bulgaria, will not in and of itself spark violent conflict in the country. Rather, interrelationships among different kinds of factors and processes for dealing with conflicts create dynamics that reinforce or mitigate conflict.

- That longer-term and shorter-term issues related to conflict escalation are interrelated, and that policies need to address the short-term and long-term causes in a coherent way.
- The role of “conflict agents” – stakeholders able to mobilize resources and support and organize protest on a sustained basis.

A. PREDISPOSING AND MITIGATING STRUCTURAL CONDITIONS

1. Economic Conflict

- a. Declining Economic Situation Reinforces a Rising Imbalance in Socio-Economic Conditions and Opportunities for the Population

Integral to understanding of the potential for conflict in Bulgaria is the predominant concern with the declining economic situation of the country. **Respondents in our sample identified the declining economic situation brought on by structural economic reform as well as external factors (such as the destruction of COMECON and the loss of traditional markets, reinforced by the conflict in the ex-Yugoslav republics) as the most important problem facing Bulgaria, and the main cause of most conflicts, including ethnic conflicts.**

Unfortunately, the economic problems plague the country as a whole rather than any one specific region. The command economy of communist times, in order to ensure “full” employment, created industrial complexes across the country; in turn, the whole country has experienced the impact of massive unemployment as the complexes are privatized or closed. Thus, the lack of economic growth has impacted the population at-large, since there are no large-scale enterprises, foreign or domestic, that can counterbalance the unemployment rate. Being originally an agrarian economy that faded in favor of communist-imposed industrialization, Bulgaria’s economy has little by which to rebuild itself other than its natural resources and increasingly obsolete factories. The government is challenged to address the magnitude of the economic problem, especially given the constraints being imposed by the International Monetary Fund and the World Bank, while the percentage of the population impacted by the economic downturn necessitates action.

Over the course of the past decade, the situation across Bulgaria has become increasingly dire. As economic growth remains minimal and reform has occurred relatively slowly with limited impact, living standards continue to fall. The growing unemployment rates and lack of new economic stimuli, whether through nominal foreign investment initiatives or sluggish sector development, have made socio-economic conditions the other overriding concern of most Bulgarians. While state budgets are shrinking, so is the amount of disposable income that people have to spend on non-food items unrelated to survival.

The economy, and the lack of hope for improvement expressed by a majority of respondents in our survey, establishes underlying conditions of scarcity and potentially

increased competition among groups for the means of survival. The comments of one respondent offer insight into the nature of the competition that is growing:

Take Stolipinovo for example – they haven't paid for electricity on a regular scale, and they made a national problem out of that. While we here, who are also poor, have always been prompt payers, do not get any help while they are getting it. Isn't that discrimination?

--Municipal Worker, Djebel, and member of NGO

b. Increasing Income Inequalities

Of particular concern are the rapidly widening inequalities in income and social and economic opportunities in the Bulgarian population. However, the issue of inequality also relates to access to and provision of services on a just and meritocratic basis. As Bulgaria has transitioned toward a market economy, the disparities of income distribution have increased. While not necessarily an unexpected phenomenon, the concentration of wealth in the hands of a select few, often through corrupt privatization practices or related criminal activities, leaving the average Bulgarian with little prospect for bettering his or her condition. Moreover, new economic opportunities also tend to benefit disproportionately the wealthy that have positioned themselves to siphon off a disparate share of income rather than to maximize productivity and job creation. The deterioration in the social situation of definite social groups is one of the key preconditions for the increased number and intensity of the conflicts arising in the country.

In order to properly understand the chief characteristics of at-risk groups in Bulgaria, it is necessary to set them in the general context of the social stratification system of Bulgarian society and the tendencies in its development.

In the past 10-12 years Bulgarian society has been undergoing an intense process of social differentiation and impoverishment of broad sections of the Bulgarian population. The differentiation and impoverishment are largely outcomes of the radical structural transformations under way in recent years as part of the transition from a planned, command economy to a market economy. Impoverishment in this country is revealed in the drastic reduction of the population's real incomes, of its purchasing power, and consequently, of the ability to meet its basic needs. The process of intense social differentiation can be illustrated with the differences in consumer spending on goods and services. The poorest one tenth of the Bulgarian population consumes about 16 times less than the wealthiest. About 8% of the Bulgarian population consume as much as 75%.

One of the heuristic approaches to assessing social stratification and the rate of consumption is based on the consumer power of the Bulgarian population¹¹. The emerging 6 status groups comprise:

¹¹ See *Social Stratification in Bulgaria*, Social-democratic Institute, Friedrich Ebert Foundation, LIK, Sofia, 2000

Status groups	Relative share (%)
“Bottom”	29.7
“Near-bottom”	19.1
“Average –“	15.4
“Average +”	14.4
“Good”	14.0
“Top”	4.9

Largely the elderly, the minority ethnic groups, the unemployed, and the residents of villages and small towns, where the rate of unemployment is highest, form the “bottom”. This group comprises mainly the uneducated strata, but the share of skilled workers is increasing. About 20% of the people have passed the ultimate threshold in restricting consumption: food. Their food intake is inadequate and some even starve. About 30% of the Bulgarian population is practically cut off from the market of goods and services. Huge numbers are not covered by the healthcare system. In the lowest social strata 80% of the people cannot afford to go to the dentist, and 60% cannot afford basic medications.

There is a marked tendency towards generational reproduction of the stratification. The three lowest strata comprise 60% of the children. They attend poorer quality schools, have a highly limited access to computer and foreign language instruction, as well as to medical and dental care.

There emerges a social group on the top accounting for the bulk of the consumption of goods and services. About 5% of the population can afford consumer durables. The top two groups (representing about 20%) concentrate about 70% of the consumption of durables, vacations at the seaside and in the mountain. This group largely accounts for the consumption in the spheres of culture, education, and high technologies (for example, practically 100% of PCs).

Paradoxically enough, in Bulgaria wealth accumulation is associated not so much with the country’s industrialization, but rather, with its de-industrialization and de-capitalization. This accounts for the drastic fall in the rate of consumption of large sections of the population and the “erosion” of the “middle class” that used to exist up to 1989 and encompassed 80% of the Bulgarian population. Those middle strata had several basic status characteristics:

- Practically universal elementary education;
- Universally accessible secondary education;
- Guaranteed relatively good health security;
- High internal mobility (cheap transport);
- 90% ownership of real estate property (home, country house, etc.);
- Relatively high qualitative and quantitative level of consumption in the sphere of culture.

The past ten years have been marked by constant pressure over these status characteristics. This pressure entails both intensive social differentiation and

inconsistency of the status indicators. The social differentiation in Bulgarian society is produced not so much by wealth accumulation, but rather, by impoverishment. Barely 8 – 10% of the country's population has changed its material status in a positive sense in the past ten years. The data indicate the presence of several consumption thresholds that some people have already given up while others are struggling to hold on to them. Based on 11,200 people surveyed, the findings are:

- 9% of the population do not consume any other food except what they can produce themselves;
- 45% rely mainly on home produced foods;
- 50% of those who do not have a garden or close relatives in the country do not buy and do not eat fruits and vegetables;
- 50% of those who do not produce their own meat (34%) simply do not consume meat, etc.

One of the basic boundaries of pauperization runs along the starving/not starving line. An important factor in this respect is the connection with the land, which proves to be an essential social buffer.

In the past ten years the gap between the people on the top and those on the bottom has been widening all the time and this has affected mass perceptions of the social model of Bulgarian society. In excess of 80% of Bulgarians think the differences in income levels are too big. The problem is not only in the inequality, but also in the deepening sense of injustice. Two thirds believe the wealthy and those in power benefit from the existing inequality.

The analysis of the changes in the social stratification system of Bulgarian society suggests the following more notable conclusions:

- The old stratification model has been dismantled and a model of drastic social differentiation is emerging – 20% relatively wealthy, who consume more than the remaining 80%. At the same time, the material situation of these 80% increasingly tends towards the borderline of physical survival.
- The discrepancy between the former status and present rate of consumption gives rise to strong social discontent and resentment of those in power and the political constituency as a whole.
- The problem is not simply in maintaining the rate of consumption corresponding to one's status, but in actually preserving the status itself. The loss of status leads to an intensive process of declassing. In excess of one third of Bulgarians find themselves in this declassing phase.
- Social differentiation proceeds through the consecutive renouncement of several material and cultural consumption thresholds. More than 30% of Bulgarians have slid down from the lowest threshold, which is largely measured in terms of food access.

- The main buffer under this situation is the natural economy and home production of foods. Nearly half of the Bulgarians have left or are leaving the market economy to enter the niche of natural economy.
- People's real estate and movable property, as well as their labor force, are being depreciated. The state is withdrawing from education and healthcare, turning them over to the market. Here they face the pauperization of ever-broader sections of the population, which are unable to afford them.
- The new stratification system of Bulgarian society will come to be permanently established through the generational reproduction of the new social differentiation.

The basic problems at the moment in the whole country are socio-economic – extremely low incomes, unemployment, unspecified laws and regulations...Whatever conflicts arise have a socio-economic basis. (Syndicate Leader, Kurdjali)

The greatest conflict of today is poverty. People in this country are split in two – a small caste of ultra rich people against the rest. (Representative of Judiciary)

In my opinion the greatest concerns are social-economic and they translate into ethnic ones, since unfortunately the most significant socio-economic disparities are also ethnic differences....Poverty has increasingly become an ethnic problem. (Researcher, Institute of Sociology)

When the economic situation is extremely aggravated each group is endeavoring to blame the other and then the conflicts are sharp. The conflicts between Roma and Bulgarian communities are very keen, especially in the area of education. (Roma NGO).

c. Unemployment Reinforces Ethnic Divisions and Marginalization

As described in greater detail in section IV, above, the unfortunate outcome of recent economic trends is large-scale unemployment, over 21.4% on average in 2001, which has become long-term for many Bulgarians. Moreover, specific population sub-groups have been affected particularly more so than others, namely less-skilled workers of former state-owned enterprises and privatized companies, rural areas often dependent upon one industry, experienced labor forced into early retirement, young people trying to enter the labor market, and ethnic groups such as the Roma and Turks. Inevitably, popular sub-groups least capable of finding or creating new economic opportunities are the first to be unemployed; in turn, the lack of income means limited access to education and/or other such opportunities to change social status for their children, beginning the reinforcing cycle of inter-generational marginalization and social stratification.

Those particularly susceptible to such cycles are the ethnic populations, already isolated from economic opportunities that exist beyond their community boundaries. Of particular concern among the ethnic population is the Roma, since unemployment is so pervasive that entire communities are dependent upon social assistance for survival. Registering unemployment rates of over 90% in some locations, the Roma have been outside the labor market, and thus also excluded from basic on-the-job skill upgrade opportunities, placing them at a perpetual disadvantage for securing employment. Thus, Roma comprise a significant proportion of the long-term unemployed with few opportunities for subsequent gainful employment. While one MRF parliamentarian indicated that pursuing foreign direct investment was a priority, poor infrastructure seriously limits the extent to which realistic, alternative income-generating enterprises can be created to meet the needs of the unemployed and subsequent generations.

Some of the ethnic groups – not Jews, but Roma and Turks – have a lower level of education and less chances to be admitted to social structures on a professional basis. They have no resources to start their own business. Due to the damage of manufacturing in these regions they have no chance to find a job. Ethnic groups are in an unequal position from an economic point of view and cannot successfully and favorably join in the positive development of the society. Their prospects are not that good because this situation shall further reproduce itself.

-- Sociologist, Sofia

Since the absorption rate of new enterprises and privatized companies cannot meet unemployment rates, particularly for youth who have been affected severely by the declining economic situation. Given that unemployment rates enable employers to exercise greater selectivity, workers with greater experience, requiring less employer investment in training, generally are preferred as opposed to someone that has recently graduated from university. However, one respected socio-political analyst considers the presumed lack of skills among young people, as well as women, as merely a pretext for discriminatory policies. Women, particularly over the age of 40, are facing real challenges securing work. In fact, some employers are cutting costs by hiring youth or other at-risk groups willing to work without contracts and employee pension packages; while some youth are not thinking about their futures, this is a worrisome trend with respect to future public sector and social assistance burdens. The lack of future opportunities has, in turn, taken a psychological toll on youth and other unemployed sub-groups who are developing self-destructive tendencies such as alcohol and drug abuse.

2. Public Sector and Social Welfare

a. Shrinking Social Safety Net

Naturally, unemployment has placed increasing demands on the resources and administrative capacity of the government to respond to the needs of the population. Increasing social assistance rolls has placed automatically a strain on the budget and limited allocations for the respective social services provided by the government. However, a less productive workforce over consecutive years implies an overall decline

in fiscal funds for all government agencies, including social assistance. The lack of future economic growth becomes increasingly worrisome, especially since the shrinking workforce is losing purchasing parity and yet still needs to bear a growing burden in the face of declining birth rates and an increase in pensioners.

Moreover, the situation is exacerbated by the government's need to reform and overhaul the internal management and administrative structures of its social welfare programs, service delivery, and the process of policy-making and evaluation. The current inefficiency and bureaucracy only serves as a further drain on valuable resources that should be directed toward public needs.

The inability to meet basic needs has placed the unemployed in a particularly vulnerable position, making them easily susceptible to changes in government policy and administrative measures that cause even minor fluctuations in their assistance payments and, in turn, their security. This added stress of competition among the vulnerable for limited funds has served to fuel latent tensions between social groups, toward the government, and particularly with respect to and against the Roma. These tensions may very well continue developing in the immediate future. Additional economic downturns that, in turn, impinge on the shrinking social safety net limit people's tolerance of inadequate government responses to systemic problems and the increasing demand for assistance.

The quality of education and access to it is becoming an increasing source of concern for Bulgarians. Interviews with former Ministry of Education officials, international NGOs, and wide sample of Bulgarians confirm the seriousness of the problem. The education system is confronted with important challenges: (i.) to improve the quality of education, especially in response to the increasing demands for a qualified workforce; (ii.) to improve the delivery of education services to the whole population in a uniform, equal way; and (iii.) to manage the reform process given limited resources and influences of the gray economy.

First and foremost, the quality of education has become increasingly outdated in terms of methodology and pedagogical concepts, curriculum standards, and evaluation measurements. There is a need to shift away from a content-driven curriculum to a skills-based approach, coupled with the need to train teachers in new styles and methodologies that coincide with the new material for instruction as well as the demands of the labor market. Education officials anticipate a growing demand for such improvements as income inequalities pressures people to improve their competitiveness on the labor market. In regard to workforce preparedness, there is also a need for vocational and extension schools for adult education and training. Currently, international donors and agencies are the primary sponsors of such advanced training facilities, but it needs to be institutionalized within the Bulgarian national educational system.

However, these changes will require resources for equipment and new technologies, the training of teachers, and facilities. Yet, the drop in birth rates and budgetary resources means some existing facilities will have to close and access will be an issue, particularly for poorer families. The costs of primary and secondary education are increasing as textbook publishing is being privatized and school closures mean new commutation expenses. Poorer families, that increasingly need to dedicate their

shrinking disposable income toward food consumption and basic needs, will be affected greatly by such costs. Moreover, retraining teachers will be costly for the Ministry of Education, and attracting new staff will be difficult given the current low salaries offered. In addition, the Ministry is competing with the influence of the gray economy as the governance structure for the Ministry lends itself to and is afflicted by nepotism and corruption at many levels.

While corrupt practices pervade all aspects of society, it becomes a particularly worrisome issue in terms of education and the potential for conflict. For example, there are protests in response to the lack of transparent process being used for important final examinations. Since final examinations often serve as qualification criteria for entrance to higher level education, there is a growing sense of injustice among the public. Most Bulgarians cannot accept such practices, especially coupled with increasing costs; the incongruence between the realities of Bulgarian living conditions and inability to respond to official policies and practices substantiates the popular belief that the government lacks policy-making capacity or accountability. One ex-Ministry official noted that the unfortunate outcome of such corrupt activities is the declining competitiveness of the workforce due, in part, to the fact that administrators do not perceive the education system as a strategic method for bringing economic change. Rather, the system is often used as a means for personal profit; any reforms that produce systemic benefits subsequent to one's term in office are ancillary.

Much of the population considers education as the basic means to socio-economic advancement and an entitlement. In the context of rapidly declining socio-economic conditions, education becomes the most viable means for escaping the trappings of cyclical reinforcing socio-economic patterns. Eliminating this function of education, as a meritocratic means for improving people's livelihoods, evokes a particularly visceral reaction from people, who already feel unable to control or impact other areas of their lives.

However, not only the teaching staff, but also parents and administrators need to be re-educated about their role and commitment toward realizing better education for their children and themselves in a sustainable way. Education cannot simply be viewed in terms of governance, but must also be seen as a medium for civic participation in which the public assumes ownership of the reform process and the quality of education thereafter.

However, declining quality and access of education is particularly problematic for ethnic communities, and really a primary obstacle for the Roma children. Administrators have seen more internal discipline regarding education with the Turkish community; if a Turkish child does not attend school, it is because the family is at or below the poverty level (often a subsistence level), and has already made every effort to send the child to school.

The Roma are most affected by the decline in access and quality of education. Unfortunately, they are increasingly illiterate and excluded from the labor market, perpetuating their already marginalized status in ways that have serious long-term implications for the community and society at-large. By expert estimates, at present nearly 100,000 children of Roma origin do not attend school. One of the main reasons for this is of monetary resources. By World Bank data of May 2001, the average

income per Roma household member was BGN 33 a month. At the same time, a set of textbooks costs about 60 leva for the early grades and up to 300 leva for the upper grades. In other words, there is an economic barrier to school attendance by Roma children. While statistics for the Roma indicate a whole new generation of children that do not attend school for monetary reasons, there are other barriers as well. Those of them who still go to school are faced with serious problems: linguistic barriers (Bulgarian is not their mother tongue and the textbooks are not adjusted accordingly), socio-cultural differences and adjustments, and psychological (some of them come from a marginalized community and suffer a condescending attitude or discrimination). Discrimination has been institutionalized in the sense that Roma schools are often of lower quality, either due to low-grade teaching staff (who have not succeeded at other schools), poor facilities, and relatively less resources for administration and maintenance.

Since 1992 a considerable part of the Roma have not been sending their children to school as a form of social protest against the rising unemployment. This is not acknowledged as an outcry of desperation, but is used as a convenient excuse to exclude the Roma from the spheres of labor, ownership, and political representation.

b. Declining Quality of and Access to Health Care

While education remains a critical problem, healthcare remains among the basic, primary needs that people believe should be provided by the state. Healthcare reform naturally presents important challenges about improved quality, improved delivery and access in a fair and just way, and improved administration and management with limited resources. Taking all these factors into consideration, in light of diminishing resources and the influences of the gray economy, has created another source for generating conflict.

More specifically, reforms that began in July, 2001, particularly with respect to hospitals, have made access to health services more difficult for those of low income groups, especially vulnerable groups like pensioners, disabled, at-risk children, and the Roma who generally have the greatest need for healthcare services. For example, an increasing number of Roma children are not receiving their obligatory immunizations. The additional concern here is that preventative care is recognized as substantially more cost effective, and negligence to meet the immediate needs of the vulnerable will mean greater costs in terms of budgetary demands and long-term public health.

Unfortunately, healthcare delivery often becomes integrally intertwined with institutional reform, and Bulgaria is no exception. Tensions within and between the Bulgarian Doctors Union, the Ministry of Health, and the National Health Insurance Fund have arisen over reform procedures and policies, the reevaluation of responsibilities and salaries and benefits compensation among medical staff categories and hierarchies, and the redistribution of financial revenues and resources. The recent row among pharmacists, pharmaceutical producers, and importers over the newly introduced VAT tax specifically points to problems in the *process* by which reforms have been adopted.

The decline in popular satisfaction with service quality and provision is likely linked, in part, to the fact that the reform process has been plagued by scandals, reaffirming popular discontent with government and political management of ongoing reforms in key areas of the public sector.

3. Socio-Cultural Conflict

a. Demographic Developments

Demographic shifts are useful for understanding the different points of stress within Bulgaria, highlighting increasing resource-based tensions and the subsequent marginalization of predominantly ethnic communities. Several trends are likely sources of stress in Bulgaria, and are likely to reinforce divisions in Bulgarian society, especially with the country's Roma population:

- Population trends: Declining birth rates among the Bulgarian population coupled with increasing birth rates in the Roma community;
- “Brain drain” and the shifting age structure of the population, toward an older population;
- Urbanization trend for younger generations;
- Geographic segregation of ethnic communities, even in large cities, leading to reduced channels for cross-communal communication;
- Urbanization and ghettoization, especially among the Roma.

The ethnic Bulgarian population structure has shifted quite dramatically over the last decade as economic conditions have brought the birth rate drastically low, especially in comparison to the proportion of the population that is falling within higher age groups. In fact, the birth rate is “negative.” The substantial shift in population structure is due, in part, to virtual exodus of young people emigrating to Western Europe or the United States in search of better economic opportunities and future prospects. The magnitude of this “brain drain” is indeed severe. Estimates place emigration at as many as 500,000 people, but this undoubtedly masks the true impact of this trend, since most émigrés constituted the best-educated and most able-bodied segments of society. The dynamic effects portend yet more severe problems, as the cumulative effects of the loss of intellectual capital have serious negative implications for productivity and future economic robustness.

The greatest concern not only of mine, but of the whole society, is that the population is progressively getting poorer, older, and young people do not see their future in Bulgaria. There is a serious danger of demographic collapse.

-- Municipality Office, Kozlodui

Given the high national unemployment rates, there has been a moderate migration trend to urban areas, particularly to Sofia, as people search for gainful employment, at minimum, and hope for greater professional possibilities with foreign organizations or related projects. This has contributed to tensions around decentralization, as the individuals that remain in the municipalities, especially rural areas, tend to be those more

dependent upon the state, such as pensioners or the less-skilled unemployed. Municipal administrators, as well as the public, are concerned about the limited amount of funds and spending authority allocated to regional governments for meeting the growing social service needs of the population. As the population ages and the birth rate of ethnic Bulgarians declines, the taxpayer base is increasingly challenged to support the non-working or state dependent sub-groups of the population.

The processes of social isolation and social segregation of the Roma community intensified in the 1990s. Thus for instance, in 1992, 48% of the Roma lived in the villages and, according to experts interviewed, used to be relatively well integrated: they had houses, most of them worked, the children attended Bulgarian schools. A considerable part of the Roma intelligentsia actually came from the country, and often from the villages, rather than from the Sofia ghettos, as a result of the obligatory education and work requirements imposed under the former communist system.

With the adoption of the restitution laws, the Roma were in fact deprived of farmland ownership rights. The Law on the Restitution of Farmland Ownership was defined as discriminatory. The decade-long labor of the Roma in the villages had failed to be taken into account. With this Law, half of the Roma were doomed to unemployment and were denied access to participation in the newly restructured economy in the countryside.

One of the integration mechanisms up to 1990 was the mandatory military service. In the army (for instance, in the Transport or Construction Labor Corps) the Roma had the opportunity to acquire skills and learn a trade. With the closing of these structures and the decision not to enroll persons who have not completed their elementary education for the military service, the operation of this integration mechanism was suspended. At present there is a process of migration of the Roma to larger, more and more segregated and isolated Roma ghettos, with an ever-wider ethnic and social gap separating them from the Bulgarian population.

The Roma are often the target of the greatest resentment, not only because they register the highest unemployment rates, but also because they have among the highest birth rates, despite their inability to afford the financial burdens of children. Their high birth rates, in contrast to declining Bulgarian birth rate, taps fears about demographic shifts in the ethnic composition of the country. In turn, high birth rates and poor living conditions ensure a reinforcing cycle of marginalization of the Roma by the rest of the population. Although spread out across the country, the Roma face similar prejudices against their lifestyle regardless of their location, and hence are often subject to communal isolation.

There are some structural trends that are likely to reduce the potential for conflict. Along the border regions of Bulgaria, there is a constant flow of migrant workers from the Turkish and Pomak communities into Turkey and Greece, respectively. Remittances help to alleviate the immediate needs of the rural and underdeveloped areas of these minorities. The importance of these remittances, although significant factors in reducing poverty and tension, should not be overstated. There is little prospect for businesses to develop in these remote, isolated communities and the cross-border migration has served to deflect attention away from the issue of investment in longer-term development for these communities. The Bulgarian state has been released only temporarily from this burden. Moreover, the remoteness of Turkish and Pomak communities has also

contributed to an alienating kind of separation between these communities and the ethnic Bulgarians.

b. Considerations of Identity and Culture

What role do discrimination, prejudice and conflicts of identity play in relationships among ethnic and cultural groups in Bulgaria? These factors, especially when coupled with power imbalances among the groups and socio-economic deprivation, can lead to feelings of distrust, existential fears, and, ultimately, susceptibility to “ethnic entrepreneurs” who might build on these fears to mobilize a community.

There is disagreement about the very existence and extent of identity- or culturally-based tension. Most Bulgarians, including some of the more prominent anthropologists and sociologists, will assert that Bulgaria does not face ethnically-based conflicts or tensions. Hardships experienced by ethnic groups are attributed often to the socio-economic problems being faced by the country at-large, rather than rooted in explicit or implicit discriminatory practices. In fact, Bulgarians pride themselves in their history of tolerance and co-existence, citing back to when thousands of Jews in Bulgaria escaped persecution during World War II and, more recently, to their ability to avoid the ethnic-based conflicts that have defined recent Balkan history.

One of the main advantages of Bulgarian society is the absence of ethnic conflicts. Our society is one of the most tolerant towards other ethnic groups. Our society is the most European-like on the Balkans.

-- Member of Parliament

Many Bulgarians will attribute current day inter-ethnic antagonism to political manipulation. In fact, the politicians are cited generally as the source of much inter-ethnic tension, inciting feelings of discrimination-based inequality for political campaign purposes rather than to address any credible violations of human or civil rights or to introduce policies and assistance packages that address specific difficulties faced by ethnic communities.

At the same time ethnic tension is assumed to be caused by socio-economic factors, there are clear negative stereotypes and prejudices that are leading to increasing distrust and “we vs. they” conceptions of intergroup relations, especially among the Roma community.

i. Identity and Culture in Bulgarian-Roma Relations: Perspectives and Stereotypes

Bulgarians take a “live and let live” approach toward ethnic relations, seemingly tolerating differences in cultural practices and value systems so long as their lives are not impacted, particularly with respect to resources and socio-economic matters. Bulgarians generally value education and hard work, and perceive more traditional cultures as inferior to their own, especially with respect to the Roma. Given the increase in socio-economic hardship across the country, Bulgarians are increasingly in need of social assistance. The psychological impact of insecurity about basic human needs has begun to take its toll, especially as income inequalities increase and popular needs remain unmet by the government. Thus, limited resources have heightened tensions between Bulgarians and other ethnic groups with respect to resource allocations.

In this regard, the greatest tension is between ethnic Bulgarians and the Roma. Since the Roma are predominantly unemployed, they receive a substantial share of per capita social assistance allocations (confirm statistically), including child support payments, free housing, and utility subsidies. Bulgarians perceive them as parasitic, placing an enormous burden on society at-large for their lifestyle choices (i.e. high birth rates) that ethnic Bulgarians consider irresponsible. Perceived as incapable of diligent work, unwilling to go to school, contributing to high crime rates, and shifting Bulgarian demographics with high birth rates, the Roma are seen as absorbing taxpayers’ money without making a societal contribution in return. **Given current economic conditions faced by the majority of Bulgarians, social assistance entitlements for the Roma are seen as excessive and unfair, especially in comparison to Bulgarians living just above the poverty line who fail to qualify for assistance.**

Gypsies are not motivated not only because of their traditional cultural system of values but also because in the last 10-12 years practically 80-90% of them are constantly unemployed and so they had lost their working habits.

-- Advisor, President's Office

Protests and low-grade violence, such as the recent incidents in Stolipinovo, trigger antagonism among Bulgarians as well as resentment. The resentment stems from the seeming injustice of the system. The hard-working Bulgarian struggles on a daily basis without receiving much, if any, assistance from the state. On the other hand, the Roma receives social assistance without having to be accountable for how it is used, and demands such entitlements as free electricity instead of looking for work.

Roma involvement with criminal activities, the spread of disease through drugs and prostitution (i.e., HIV, Hepatitis, and STDs), and begging, further reinforce prejudices and negative stereotypes. The lack of intra-communal cohesion, between the sub-groups of the Roma, and their inability to organize or advocate for themselves is also a source of derision, as Bulgarians interpret their lack of activism as a reflection of their own attitude toward their own situation. The Roma have contributed to this perspective, in part, because Roma leaders have been known to not only lose development opportunities because of intra-communal power struggles and lack of

consensus, but to accept political bribes to serve their personal interests at the expense of their own community. While corruption exists in all communities, such communal infighting and betrayal serve to confirm Bulgarian conceptions of the futility of working with the Roma. While Bulgarians may pity the seeming hopelessness of the Roma situation, Bulgarians also question the utility in assisting those who will not help themselves.

ii. Identity and Culture in Turkish-Bulgarian Relations: Perceptions and Stereotypes

The perception of Bulgarian co-existence is generally one-sided in this case. **Bulgarians are more tolerant of the Turkish population than of the Roma, perceiving the Turks to be a closed society but upholding a similar value system with regard to work and education.** They are seen as disciplined in their work ethic, reflected by the fact that they will take on the most menial jobs to provide for their families and ensure their children can go to school. Bulgarians will recognize the abilities of key figures within the Turkish community, such as the leader of the Movement for Rights and Freedoms, Ahmet Dogan, and appreciate the dexterity with which the MRF has continued to play such a key role in Bulgarian politics consistently since 1991. Because the Turkish community has organized a political party and participate at the national and lower levels of government, Bulgarians believe that they do not feel disenfranchised or excluded from the political process.

Most Bulgarians will dismiss the forced “Bulgarization” of the Muslim community in the 1980s and the subsequent expulsion of over 300,000 ethnic Turks to Turkey as events from the old communist regime long past. Although Bulgarians feel guilty for this chapter in their history, it also strongly contradicts their self-image of co-existence; more often than not, they minimize the present day relevance of these events for the Turks. While treating the name change and expulsion as anomalies in their treatment of Muslims, Bulgarians still hold deep-seated fears and stereotypes about Muslim populations or their influences, domestically or within the region, and attribute such fears to the historical experience of 500 years under the “yoke” of the Ottoman Empire.

The Turkish perspective is somewhat different. **While Bulgarians are fairly optimistic about inter-ethnic relations, minority groups tend to have substantially different perspectives, especially in light of the name changing and expulsion campaign.** Turks have shied away from a nationalist approach, in part because Turkey will not support any irredentist movements. Instead, Turks have unified behind one political party, the Movement for Rights and Freedoms, and its leader, Ahmet Dogan. Having secured the reinstatement of their original names, and the restoration of religious facilities and property to the community, he and the party continue to be symbolic guarantors of Turkish security and ethnic integrity. Turks are still overcoming the events of the past, and will need more time to begin gradually to trust their neighboring communities. In some areas, especially where cross-ethnic ties were strong prior to the events of the 1980s, significant tension between the ethnic Turk and Bulgarian communities is evident. The more formidable the previous inter-ethnic ties had been, the greater the sense of violation that manifests itself in inter-communal tensions.

At the local level and in Sofia, Turks complain of discrimination in the labor market and in the workplace, while Bulgarians consider such incidents as isolated cases, rather than the norm. In fact, the state has formalized the “co-existence by separation” approach in its management of ethnic relations, conceding to support Turkish schools and instruction in Turkish, for example, but not supplementing the policy with programs that integrate Turks into the mainstream labor market. While perceived as discriminatory by the Turkish population, the Bulgarians see labor issues as a function of the Turkish dependency on one cash crop, tobacco, and prevalent involvement in the construction industry. Otherwise, rural Turkish communities are very poor and have only a few very small family businesses. For example, Turkish unemployment is far higher than that of Bulgarians, ranging up to 70% in some locations.

When people find out you are a Muslim, this automatically means that “there are shortcomings” and the person is ignored, which also provokes considerable pressure.

Certain tension is provoked also by the selecting of candidates for the vacancies, especially in the public sector, on an ethnic principle – as a rule, mainly Bulgarians are preferred.

-- Muslim, Goce Delchev

While Bulgarians and Turks live as neighbors in towns and cities of mixed population, their cultural and traditional experiences create an unofficial but mutual gap in communication and understanding. Many know very little about the customs and culture of their respective communities, and interact very little beyond their professional lives or the public sphere. The Turkish community maintains an insular community dynamic, partially attributed to the consciousness they retain about the 1980s events. This is reflected in their informal political recruitment and advancement process that keeps the public administration external to such intra-communal affairs. The Turks are a hierarchical and patriarchal society that is somewhat alienated from mainstream life by virtue of its regional concentration, socio-economic affiliation with specific industries, and culture. While politically active at the national and administrative levels, cross-ethnic cooperation or common undertakings are limited.

While we are here, who are also poor, have always been prompt payers, do not get any help while they [Roma] are getting it. Isn't that discrimination? Criteria should not be based on ethnicity – a stress should be put on what one is doing.

Why are only Romas granted such possibilities? We have observed our own children fainting of hunger, and chronic malnutrition and they still continue to go to school regularly and get high marks.

-- Turk, Djebel Municipality

Nevertheless, the Turkish population shares the Bulgarian perspective of the Roma, believing them to be lazy, unwilling to work or to go to school, and the perpetrators of

crimes. Turks are also known to have mixed experiences living with Bulgarian Muslims, ranging from quite volatile and tense to co-existence by separation wherein contact is very limited. While both communities are Muslim and underwent the Bulgarization of names, the post-conflict political approach of each respective community has differed. While the Turks have chosen to become engaged in the political process, the Pomaks have remained withdrawn and isolated.

Bulgarians approach the Bulgarian Muslim (Pomak) population is similar to that of the Turkish minority. However, Bulgarians are less concerned about the Pomaks, being that they account for a very small percentage of the population, are Bulgarian that converted to Islam rather than of Turkish origin, and remain isolated in the mountainous regions of the country.

iii. Roma Perspectives

The Roma experience discrimination from all their surrounding ethnic neighbors, whether with respect to their cultural practices, traditions, socio-economic opportunities, or attempts to engage the government in meaningful dialogue about redressing the obstacles facing the community.

Roma consider Bulgarian attempts to involve them in negotiations about communal problems as disingenuous, motivated by political expediency and avoiding the development of any strategic, workable plan for addressing the fundamental system-based sources of grievances. Roma perceive themselves as political pawns, manipulated by whatever interests are driving politicians, municipal government administrators, or stakeholders in private entities (i.e. Stolipinovo). Resistance to incorporate Roma in government processes has left the Roma believing that the Bulgarians are not serious about problem-solving. While other ethnic groups claim that the Roma are victims of their own leaders, the Roma counter that the state engages its leaders if and only when it serves its purposes. In general, government policies of pacification, rather than alleviation, have “infantilized” the community such that the dimensions of the problems perpetuate, intensify, and magnify. This is particularly notable with respect to issues of socio-economic sustainability and education.

They can be a subject of discrimination, but they cannot discriminate because in order to discriminate one has to have authority and the Roma have none.

The major problem with the Roma when they contact an institution is their illiteracy, the lack of knowledge of the laws and regulations. When we add the negative attitude of some officials towards them, it turns out that Roma have very difficult access to information and to contact institutions, whether state or municipal ones.

-- Roma, Doctor, Sliven

Roma are particularly sensitive to outside perceptions of their living conditions. Given their exclusion from the labor market and the prejudicial treatment received within education facilities or municipal offices, the Roma see themselves as caught in a vicious, self-reinforcing cycle of marginalization due to discriminatory practices beyond their control. Enrolling in school, only to be subjected to further discrimination and still be unemployed upon graduation, seems futile and economically less lucrative than begging. The Roma perceive their efforts to engage the municipality in a process for addressing communal and non-Roma needs thwarted by politicians, police, and private companies alike who respond to other interests.

The barriers to mutual understanding are great. In addition to physical separation of communities, Roma maintain very closed, patriarchal and traditional communities that few outsiders understand or can gain information. It is understood that there is great variety amongst the Roma, in terms of religious affiliation, social hierarchies and traditional practices, which makes it difficult for an external party to understand the subtleties of each sub-group and interact accordingly. These differences, coupled with their geographic dispersion, politically diverse affiliations, limited resources and skills, and strong intra-communal loyalties, preclude the Roma from being able to organize themselves as a collective ethnic group on the political stage.

However, even within their own respective sub-groups, Roma have difficulty, at times, organizing themselves to identify their needs collectively, and initiate organized responses from among their pooled resources. Any number of factors can contribute to this, including lack of skills and capacity, lack of education and resources, and psychological defeat. However, while international assistance continues to be provided, it tends to be humanitarian rather than developmental; Roma accountability and responsibility for their own situation has been temporarily placed in the hands of others or the state.

c. Potential Contributions to Identity-Based Conflict

Bulgarians' denial of the existence of ethnically-based conflicts, and indeed their apparent aversion to the notion, does reflect the limited salience of the issue of ethnicity and nationalism to their identity vis-à-vis other ethnic or cultural groups, and to political mobilization. The absence of any aggressive nationalistic leaders in Bulgaria, unlike in several of its neighbors, is a result.¹²

Bulgarian co-existence appears to be more analogous to co-existence by separation, rather than to any kind of integrated living across ethnic lines. Ethnic communities tend to live with their own kind, meaning within distinct Turkish, Bulgarian Muslim (Pomak), Armenian, Jewish or other neighborhoods that neighbor but generally are not mixed with ethnic Bulgarians. At times, there is genuine contact between ethnic groups (although relatively limited for the rural Turks and Pomaks that tend to be rather isolated in the Rhodopi Mountains), including such palpable communication and exchange as observance of each other's religious traditions and festivals. However, generally each group will not tolerate more formal cross-ethnic ties such as marriage, preferring to avoid

¹² The extreme nationalistic groups that do exist, such as the Macedonian VMRO, and some of the "skinhead" groups that have emerged in Sofia in recent years, are marginal, and have failed to command any significant popular support.

the socio-cultural issues that can emerge with more intimate cross-ethnic relations and create tensions.

Yet despite the relative degree of “co-existence” among communities in Bulgaria, denial of the existence of ethnic conflict, even if latent, coupled with the physical separation of ethnic communities, especially in urban areas, is likely to reinforce socio-economic inequality, increase lack of understanding and appreciation of different values and cultures in each community, and allow resentment and hostility to fester among minority communities that are increasingly marginalized.

The impact that cultural devaluation and the cyclical effects of discrimination can be severe for communities in terms of the internalization of negative self-imagery. As seen in case studies of protracted ethnic conflict, communities internalize behaviors of the “other,” absorbing the sense of devaluation and projecting that towards other groups. That is to say, the ways in which ethnic Bulgarians perceive minorities is, in turn, the way minority groups see themselves and others outside their community. Separation and isolation can contribute to the distortion of social relationships, especially if the point of contact for knowing the “other” is a negative experience for both. Furthermore, the longer and more deep-rooted the discrimination dynamic lasts, the more problematic it becomes to reverse the effects. In this regard, the problem of the Roma, in particular, is, by extension, a problem of Bulgarian society at-large that affects all other ethnic groups as well.

3. Politically-based Conflicts

The problems and challenges of managing a successful transformation of governance structures and practices in Bulgaria are numerous, as they are in so many post-communist countries. Good governance generally would be a strong mitigating condition. However, with respect to conflict vulnerability, we will focus here on those structural conditions that serve to divide society and increase vulnerability to sustained (and potentially violent) mobilization for protest: specifically, **the legitimacy deficit of the government and public institutions, seen as corrupt and non-transparent, non-participatory and unrepresentative, and enhancing the personal agendas or wealth of the holders of political power.**

The general stagnation in Bulgaria’s development, evidenced by periods of economic and monetary crisis and minimal growth rates, and virtually unchecked corruption have contributed to the serious decline of public faith in the ability and credibility of the government to realize systemic reform, at least in the near future. Growing socio-economic inequities and the growth of vulnerable groups in Bulgaria have bolstered public perceptions that politicians are incapable of formulating solid policies, and unskilled at orchestrating and managing policy implementation.

This lack of trust in the political elite and leadership is reflected in the virtual inability of any government to complete its mandate. The government has changee, on average, every 2 years, and election results reflect dramatic shifts from left (socialists, previous communists) to right (West-oriented). The results of last year’s elections, with the succession of King Simeon and his movement, NSM II, to power, reflect a disaffected public that goes to the polls to register a protest vote rather than to endorse a specific

candidate or party. Current polls indicate that NSM II popularity is declining sharply, corresponding with growing popular dissatisfaction with King Simeon's policies and methods. Indeed, some political analysts have observed that the cycle of disappointment and political crisis is beginning to shorten, as evidenced by the dramatic and rapid drop in popularity of the NM Simeon II movement shortly after it took office. Thus, the public has begun to see the government as the "common enemy" of society.

The lack of solid institutions, legal codes, and enforcement mechanisms that contribute to good governance is at the root of Bulgaria's inability to develop more fully. The absence of these fundamental instruments of governance not only precludes foreign investment, but enables corrupt practices to pervade the entire system and robs the population, on a daily basis, of its own resources and entitlements. Enduring corruption at all levels of their lives, Bulgarians are fully aware of the extent of the problem but feel incapacitated to influence the system.

Lack of trust and legitimacy has placed the government in an adversarial role vis-à-vis the public, but the discontent tends to lose force when it comes to public participation in their own democratization process. Institutions and organizations that are integral for public participation are lacking or still evolving. Bulgarians are only now beginning to develop a real civil society that can interface with the public and private sectors and across communal lines.

Moreover, the majority of reforms are seen as induced by external actors, such as the European Union, the United States, the World Bank and International Monetary Fund, and other international donors, rather than by initiatives from the country's top elite. This is certainly a matter of capacity, since many political elites are predominantly a product of communism and not versed in Western legal, economic, or political traditions. However, lack of capacity, or "new thinking" in the words of one respondent, has not in itself delayed reform; politicians often have vested interests in maintaining the status quo, given that slow reform enables them to continue profiting from existing economic or corrupt practices while in office. Since positions of power tend to be scarce and of short duration, political actors utilize the limited opportunities available to them to profit before the results of another protest vote dislodge them from office and/or a position of influence.

Lack of Respect for and Trust in the Government

The extent to which government institutions protect the interests of society is very little and could be increased. The interests of the poor people are infringed. The government should protect them. Parliament should also protect them. (Unemployed university graduate, Plovdiv)

Most of them entered politics with the sole goal of enriching themselves. And the way to get rich was to become close with people who were already rich. And to be close with those individuals they had to abide by their conditions. This is the reason why in my opinion there is a vicious circle in which it did not matter which color government, it acted the same way. (Radio journalist, Sofia)

The separate citizens are isolated from the political and government institutions. They are alienated from them....To me the word Democracy has become a dirty word the same way Communism became a dirty word. (Former manager, Varna Shipyards)

immediate attention to serious structural problems within society. Declining socio-economic conditions dictate that the state cannot afford postponing necessary reforms, despite the fact that these will be unpopular as well.

The lack of accountability among the top circles of politicians, a remnant of the communist, top-down system, is particularly frustrating for the public. Unfortunately, the government and politicians have adopted a defensive approach toward other parties and the media, limiting access to political debates and isolating itself from public scrutiny. The lack of disclosure from government bodies underscores the public belief that the government lacks a vision, an implementation strategy, and the capacity to manage the reform process, serving to further amplify popular discontent and perceptions that the political leadership is embroiled in corrupt practices.

In this way, the public is becoming increasingly disillusioned with democracy, as the experience to date severely contrasts with the expectations and ideas that were formulated under communist times. Instead, Bulgarians see their government folding to EU demands to close the atomic power plant in Kozlodui, bankrupting the country and disregarding national interests in its pursuit of Western assistance packages and EU accession. The public has developed doubts about the ability of its predominantly young government, inexperienced in politics, to manage the country, let alone institutional reforms; the people believe their political decision-makers are simply detached from the needs and realities of average Bulgarians and consumed with personal power and monetary gains.

5. Main Trends and Conclusions

Bulgaria is challenged by significant structural problems arising from the post-communist transition from a command economy to a market economy, and the subsequent reorientation of the state's role in economic, socio-cultural, and political life. The reform policies and processes have caused poverty, in real terms, for a significant portion of the population and triggered the stratification of society with tendencies toward generational repetition.

The erosion of the middle class, to the extent that people are polarized into two groups – those that “have” and those that “have not” – has increased people's sense of insecurity about meeting basic needs, and had significant psychological impacts as their gradually declining material situation is not balanced by prospects of economic growth and new employment opportunities. Poor economic performance has meant an inverse relationship between the shrinking fiscal funds to support the social safety net and the increasing demand on social assistance rolls. Moreover, there continues to be a lack of resources for managing the reforms of important institutions, such as education, that are important for counterbalancing the polarizing effects of socio-economic impoverishment.

The competition for scarce resources has increased divisions among social groups, particularly along ethnic lines, and has increased outward displays of discriminatory behavior that facilitates further marginalization of vulnerable groups. Demographic developments serve to reinforce tensions between groups. In turn, this has induced a real sense of insecurity with respect to identity and social recognition of identity,

inducing a reinforcing cycle of inter-group tensions, particularly with respect to the Roma, and less so with the Turkish community.

Furthermore, there is a deepening sense of injustice about the inequalities being endured by the population, especially since the accumulation of wealth by a select few is linked with the gray economy. However, while corruption remains a critical problem, the question of governance and civic participation in government is the overriding concern for the long-term. Institutional reforms, particularly within the central government and in terms of decentralization, are needed to change the fundamental nature of the relationship between political leaders and the public.

B. *CONFLICT ENABLING OR ACCOMMODATING FACTORS*

Bulgaria, like other post-communist countries, faces enormous challenges in institution-building and economic and political reform, with few and diminishing resources. Ongoing reforms are necessary and will challenge such practices. European Union accession and dependency on foreign assistance, in particular, requires that the government make policy choices necessary for bringing Bulgarian socio-economic and legal frameworks and practices in compliance with Western standards. These challenges inherently create tensions between “winners” and “losers” who are being affected differently by the new ways in which economic and political resources and opportunities are being allocated.

The underlying tensions created by the socio-economic inequalities, diminishing resources and lack of legitimacy of the government can be aggravated or eased depending on the *ways* in which political and economic reform are pursued. Several aspects of the current institutional structure and policymaking process in Bulgaria have the capacity to mobilize people toward confrontation. These broadly can be defined in two categories:

- Contentious issues, problems and policies that are generating specific grievances, diminishing people’s ability to meet basic human needs (adequate food, shelter, health, education, security), or deepening the socio-economic inequalities described in the previous sections. These issues appear to concern mainly the following policies of the government: a) Privatization; b) Taxation and conditions for investment and business development; c) Education; d) corruption and crime.
- Limited mechanisms, channels and processes for conflict management, including participatory governance processes, negotiation processes, the ability of the judiciary (investigators, prosecutors and judges) to provide credible and effective dispute resolution, and diminishing communication channels among increasingly isolated and alienated communities, and the role of the media.

1. Government Policies Aggravating Conflict

Several issues and sectors have been particularly important in generating distrust of the government, grievances and protest, as well as increasing clashing interests between identifiable groups in society (e.g., rich and poor, government and public, Roma and ethnic Bulgarian or the State). These include:

- Economic policy, particularly concerning the implementation of privatization in the country and financial management;
- Social policy (social insurance, labor market policy and unemployment, health);
- Decentralization of the state and central government-local government relationships.

a. Economic Policy

The government's management of the economic reform process is almost uniformly seen by the public as poor; the government failed to consider and try to mitigate the adverse social and economic impacts of the transition, due, many believe, to the personal economic interests and motivations of policy makers and their consequent disinterest in serving society. Indeed, many people believe the intense political confrontation between the old socialists and the so-called modernizers and democrats that characterized the first years of transition, in reality, reflected a conflict of personal, and not political or ideological, interests.

The initiation of privatization in the mid-1990s was an important factor in the intensification of conflict, and the shift of the center of gravity to the socio-economic realm. Under Western influence calling for the dismantling of communist monoliths and destruction of symbolic vestiges of state-controlled businesses, the Bulgarian economy gradually lost much of its production capacity, gained unemployment, and was ill-prepared to manage the processes of reorientation toward a market economy. Unfortunately, reactions to dismantle communist-styled facilities, such as collectivized farming, were not postponed until a strategic plan for implementing restructuring was developed, leaving people without income and a dissolved entity whose assets were not fully captured for post-restructuring purposes.

During the immediate post-1989 period, there was a crisis over power among the most formidable political parties amidst a groundswell of protests from the masses; there was a power vacuum, during which time there was no control over privatization practices. Existing institutions were incapable of monitoring or managing the process, having no guiding regulatory framework or legal codes, without capacity or experience, and lacking authority to assume such new roles. Without oversight, privatizations were concentrated in the hands of a select few, supported through nepotistic relationships. In many cases private management (sometimes in collaboration with trade unions) further undermined the viability of the enterprises they took over through practices aiming at securing personal financial gain – further widening the income gap and expanding the numbers of impoverished.

Perceived “Scourge” of Privatization

A significant portion of enterprises, which went into private hands, did not become profitable. Private management was not more efficient compared to state management. Enterprises continue to be drained out through offshore companies, “devoid systems,” “ostentatious consumption,” etc. (High-level Ministry official, Sofia).

The process of privatization and redistribution of the property of the state didn’t take place as a legal process based on consensus, but as an illegal one based on the “rules of the jungle.” The result was a minority of winners and a vast majority of losers. (Political analyst, Sofia).

Experience over the past decade, in which the value of the lev changed on an hourly basis, coupled with the uncertainty of Bulgaria’s future political and economic conditions, led people to apply a Darwinist approach to life. Never knowing what tomorrow will bring, people used power, connections, and influence to attend to their own needs and interests. This individualistic approach gave license for the enrichment of a few which is extremely difficult to undo.

At the same time, implementation of many economic reforms, including privatization, appears to have failed to consider systematically its social consequences in a context of increasing poverty *and* increasing polarization of society. For example, the break-up and privatization of the state electricity company had fairly predictable social and consequences that might have been anticipated and planned for. The privatization, by splitting power production from retail, some have noted, removed the old means of coping with the problem of systematic non-payment of bills by certain sectors of the population. Retail electricity companies, now having to buy power rather than benefit from a subsidy from power generation activities, can no longer afford to tolerate such levels of non-payment. The riots in Stolipinovo (Plovdiv) to some extent can be considered a natural consequences of the failure of policy makers to address the social conditions and implications of privatization of electricity supply: i.e., the difficulty of reversing long-standing implicit policy of acceptance (through lack of enforcement) of non-payment of bills, the inability of some people to pay due to extreme levels of poverty, and the escalatory impact of district-wide (rather than individual) responsibilities for payment and district-wide consequences (cut-offs of electricity).

Unintended Consequences of Privatization in Stolipinovo

For the last five years, politicians, and the state itself, made us believe that people have no obligation toward the government and the state. Prior to elections, and there have been many elections in recent years, many politicians visit us, make promises of free electricity...[When electricity was privatized, there was] no campaign to help people understand that people have to pay...Formerly civil servants went door to door and asked people to pay. Now, with privatization, they have to go somewhere where they have a computerized bill and pay...The power supply of the entire neighborhood was cut. Kids became sick. The only kindergarten with gypsies closed because there was no heat. On the 18th [of February] at night, there was a spontaneous protest... (Roma leader, Stolipinovo)

Today, substantial reforms remain to be achieved and the same issues of risk and lack of transparent business practices prevent foreign investment from entering the Bulgarian market. While there is limited direct foreign investment, there is little domestic growth and minimal stimuli to promote production.

b. Financial Management

After 1989, the government postponed enforcing tight monetary and fiscal policy, consumed by political conflicts and the ramifications of assuming responsibility for the financial disorder of the communist state. However, the 1996-1997 crisis required the intervention of international financial institutions, such as the International Monetary Fund and the World Bank, and resulted in the adoption of obligatory austerity measures to stabilize the economy. Given the lack of economic growth, the government has been caught between conforming to the constraints placed on it by the IMF and WB, and incurring public debt to stimulate economic activity and consumption. Yet, IMF and WB reluctance to lift austerity measure restrictions is founded upon a poor history of erratic and increasing debt servicing.

Politicians struggle between moderating reform packages to accommodate Western demands, domestic power interests, and public demands for less stringent austerity measures. Yet, some reforms, despite external pressure, have been slow to come or to be fully implemented in real terms, often due to the fact that political interests are at stake. Many regulations and laws could be provided to build confidence in the banking system, insurance and investment security and guarantees, taxation and related policies that would encourage and promote foreign investment. Nevertheless, the disreputable connections between the gray economy and political interests have made foreign investors question government supervision and regulation of capital investments, as well as possibility of judicial recourse.

The resulting outcome of very low foreign direct investment and economic stimulus packages has aggravated significantly the public's perceptions of the government's ability to stimulate economic growth, particularly when confronted with competing, corrupt practices. The government's seeming inability to respond to the needs of the public, even in the midst of growing poverty rates and looming social problems,

cannot confirm for many how distant and out of touch the political leadership is from people. For example, the fact that the salaries of members of parliament have almost tripled while much of the population becomes increasingly impoverished is symptomatic of problems of trust, legitimacy, and accountability. Furthermore, given worsening economic conditions, people are less accepting of austerity measures that they perceive as interfering with their ability to meet basic needs, especially when the wealthy continue to accumulate more wealth. In fact, resentment toward the government is building as tax policies continue to target smaller and medium sized enterprises and small, independent businesses that have virtually no profit margin from which to make additional tax payments. While tax collection rates are low, levying greater taxes on groups with limited facility to pay has failed to resolve systemic problems, but further aggravated ill perceptions of the government.

c. Public and Social Sector

i. Decentralization

The lack of decentralization within the state hierarchy largely contributes to the popular sense that the government lacks accountability and mechanisms for communication its citizenry. The central government maintains substantial control over regional and municipal finances, despite the fact that the municipalities are often responsible for supporting a substantial portion of public sector services. Administratively, the structure is top-down, with directives originating from Sofia and being implemented locally. Municipal leaders complain that the “collectivist” approach to governance is no longer possible, and that local problems need to be handled at the local level.

The “center-periphery tension” is a remnant of the previous communist system in which the state was the sole decision-making authority with no obligation to explain or justify policy to the bureaucracy or public. Local governments were simply responsible for implementing instructions. Today, the roles of municipal officials and the expectations of people have changed, ushered in with the new, representative system of government. As a result, municipal officials are looking for the autonomy and authority to respond to the respective needs of their constituents, especially given that their own job security is dependent upon their job performance.

Unfortunately, there is an inherent lack of trust between the “top” and “bottom” layers of government that goes on to describe the relationship between government, in general, and the public. A remnant of the communist system, this is driven, in part, by the lack of transparency that comes from corruption and that the fear of losing power should the “lower ranks” be dissatisfied. Information and the control of monetary flows, legal or illegal, are deemed to yield power, and so closely guarded; meanwhile, the public feels disconnected from its own political process and, because it lacks information about the political system and how and where power flows within it, it is frustrated by a seemingly inability to mobilize in an appropriately way.

There is a fundamental lack of understanding among political leaders about the power of communication and its utility for mobilizing different groups, organizations, and agencies to meet policy challenges, especially as public spending on public

bureaucracy and administration needs to be downsized. Local analysts and experts from various organizations, including NGOs, trade unions and international reform agents, testify from personal experience about the seeming unwillingness of political leaders to engage with constituents and/or constituent organizations. The perception that the government is unwilling to engage with social partners, such as the third sector and community activists, affects the Bulgarian sense of empowerment and elevates frustration about being excluded from the decision-making process and mere recipients of policy outcomes.

The feeling of powerlessness to impact high level policy decisions about ongoing wide-scale reforms in such sectors as social policy, healthcare, and the military is exacerbated when policy translates into significant cuts in public sector employment rolls and professionals have no intermediary for influencing decision-making. People are increasingly disaffected by the fact that decisions are taken in Sofia that dramatically affect their personal lives, but that they are without recourse to effect or influence the central or local level officials. Since all problems are effectively determined in Sofia, despite the lack of real understanding for municipal-level problems, the central authorities have developed an ad hoc decision-making approach that is reinforcing itself. The National Association for Municipalities is trying to play that important intermediary role between the central and local authorities, acting as an advocator and mediator, but it cannot currently extend its mandate to bridge the gap between the government and the public.

ii. Social Services

Rising unemployment, increasing poverty, and growing demands for social assistance, including pensions, health care, and unemployment, have placed great strains on the budgetary and administrative capacities of government agencies. Given demographic trends of the ageing population and conditions of vulnerable groups that reinforce their marginalization and dependence on the state, the current social services system cannot and will not be able to meet the needs of its beneficiaries.

The bureaucratic social insurance system is poorly administered and hamstrung by layers of procedures that translate into funds being misdirected or inappropriately dispensed. The end result is that beneficiaries receive part of their entitlements, often late, and the most needy are the last to receive assistance or “overlooked” by the system. Healthcare suffers from similar problems of mismanagement, insufficient resources, and poorly structured insurance programs.

Bulgarians are becoming increasingly dissatisfied with social service provision, frustrated by the inefficiency, lack of information about entitlements and procedures, and the laborious process of qualifying for assistance. While Bulgarian discontent grows, the problem is much deeper than the experience of interfacing with ineffective and inefficient institutions. The social service system, in its present state, fails not only to meet the basic needs of people, but lacks the capacity to help people transition out of their dependency mode and become self-sufficient. Instead, social assistant recipients become permanent wards of the state.

Disabled persons, speaking in reference to the 350,000 in their working prime, lack access to healthcare and medicine, do not receive social benefits that respond to their special condition, and lack access to information and public services. They become absolutely incompatible with the labor market, but not because they cannot work -- the socio-economic possibilities, as we experience them, no longer exists for them.

--- *Sociologist, Sofia*

One expert saw social problems as simply a manifestation of poverty and the deprivation of rights that ensues. Analyzed from the perspective of civil and human rights, many vulnerable groups have lost access to basic health and education services that are among the rights and entitlements guaranteed to them by the state under the constitution. Whether consciously or unconsciously, vulnerable groups feel discriminated against, feeling forgotten by the state and devalued or shamed by their new identification with the poorest strata of society.

Roma, being largely uneducated, unemployed, and discriminated against in the labor market, have become virtually permanent members of the state's welfare rolls and experience a kind of despair about the possibility of lifting themselves above the poverty level.

The growing despair among vulnerable groups has taken a psychological toll, and led to increasing social problems related to drugs, alcohol, and criminal activity. Several experts attribute this kind of self-destruction to the gradual atomization of society that reflects a kind of implosion, rather than the explosion one might expect.

Current attempts have been made to reform the health system and pension system with particular attention being given to ensuring its financial viability. However, the sense of public exclusion from the decision-making process has further highlighted the lack of control people feel over their own lives and condition.

d. Corruption

While corruption is not a direct contributor to conflict escalation, the government's failure to combat it effectively does directly affect the legitimacy of the government in the eyes of the public. Given the extent of power, monetary, and political interests among public officials and politicians, the capacity of the government to respond to disputes and violent (or non-violent) competition for resources and rights in an impartial and transparent manner is compromised.

Political ties to corruption really blossomed in the early 1990s, given the economic downturn and the institutional and security enforcement "vacuum" that has characterized the transition period. Competition for power and monetary advantages has dominated the political process since then, and greatly influences decision-making among the leadership. At the same time, politicians feel manipulated by powerful enterprises that threaten to pursue strike-provoking benefits policies unless favorable conditions are created for their businesses. In addition, politicians are pressured to maintain fiscal

responsibility by external financial institutions; reform initiatives are often induced from the outside rather than from internal actors.

The public is disaffected, seeing no group or leader with political will to assume responsibility for beginning to tackle problems of corruption that contribute to the growing disparities and inequalities experienced by average citizens. The demands for corruption to be addressed are linked intimately with the fact that corruption pervades virtually every aspect of life, chafing away at shrinking incomes that cannot afford to be losing funds needed for survival. In turn, many people participate in corrupt activities simply to offset the misery of their lives, but the desire to escape the trappings of corruption is strong and currently being unmet by the very politicians profiting from it. Thus, the feeling of powerlessness among the public is reinforced on a daily basis, every time Bulgarians encounter it in their lives.

The problem is that corruption is usually considered a deviation from the mainstream. Here, in Bulgaria, corruption is the mainstream and the government is expected reestablish and reinforce the norm. Unfortunately, producing values to produce bre doesn't really work.

-- Political Analyst, Sofia

2. Lack of Capacity for Conflict Management

Overt, violent conflict is not a necessary consequence of the presence of a number of root causes, and even in the presence of governmental policies that aggravate ethnic and social divisions. However, when capacity for managing conflict in society – both in the government and in civil society – is weak, difficult conflicts of interests that could be managed peacefully find no channel for resolution and can erupt into open, violent conflict. Capacity for conflict management comprises several factors:

- The availability of mechanisms and processes for genuine public participation in policy-making and genuine pluralism and public debate;
- The availability of effective dispute resolution mechanisms – both formal (as in law enforcement and the judiciary) and informal (such as ad hoc negotiation processes, networks and communication channels among key players, etc.);
- The availability and effectiveness of forums for public debate and information transparency, focusing specifically on the role of the electronic and print media.

a. Exclusive, Non-Participatory Government

A fundamental obstacle to the conciliation of differing interests in society is the general perception that the national (and to some extent local) political leadership and the governance are determined by non-participatory or exclusive measures.

i. General Alienation and Lack of Participation by Bulgarian Population

The Bulgarian public, as a whole, has felt estranged from its own political process, and is interested in having its needs and concerns better represented by members of parliament. The overriding sentiment of respondents from all the sectors and regions covered in this survey is that members of parliament are pursuing their own interests, often at the population's expense, and do not communicate with constituents about which regional and national problems are being addressed and the means being employed. Disclosure of key information remains a constant problem. While noting the lack of understanding among citizens of the government system, one international NGO noted that the lack of transparency and outright obfuscation is an obstacle to citizen mobilization and engagement with local government; staff commented that only after a full year working in several local communities were they able to figure out how decisions were made concerning allocation of resources. There is a pervasive sentiment among people that the government – local as well as national -- is not in tune with, responsive to, or attempting to address the needs of the public.

Citizen Alienation and Isolation from Government

The deepening alienation of citizens from the administration and from power and the political structures in general, and from power structures at both local and central level in particular, is already a fact. At the moment we are completing a panel study...which is representative of 27 regional centers. The results testify to a complete collapse at the level of citizens' assessment of the competence, responsiveness and efficiency of local government....To me this is a serious indicator of the existence of serious conflict potential which has been existing for decades, but which seems to be increasing the alienation from the institutions chosen by the people.

-- (Analyst, Economics 2000 Club.)

Furthermore, political polarization and conflict within the national government and political party system has led to disempowerment and exclusion of citizen participation. Over the last decade, while public discontent has continued to grow, political tensions have been played out among the elite political levels rather than between the government and activists and their supporters. Many respondents observed that political battles are not related to the most pertinent issues that affect the daily lives of Bulgarians, but related to scandals and power interests. Such tensions have existed predominantly between the left (BSP) and the right (UDF), with each party's leaders fighting to maintain power and often using power to protect business or other interests.

Finally, public discontent with the current centralized system of government has been aggravated by the lack of policies and programs that address the needs of those beyond the outskirts of Sofia. The alienation of the "peripheral" constituency has been solidified by the lack of communication and rationalization of responsibilities and authorities between Sofia and the regional and municipal structures, particularly over financial matters and spending authority. Moreover, there is resentment over the lack of access to

information about parliamentary debates, cabinet decisions, and the underlying reasons for new policies and regulations.

ii. Ethnic Participation in Government

The ability of an identity group – such as the Roma and Turkish populations in Bulgaria – to have a meaningful voice in the development of policies that affect their lives is a significant mitigating factor for conflict. One school of thought in conflict resolution has placed the need to have a voice and be heard in governance in the category of “basic human needs,” which are non-negotiable and can serve to prolong and deepen social conflict when it arises.

In this context, the Roma suffer most. The Roma are consistently excluded from participating in decision-making about their communities and the policies that affect them, completing the pattern of marginalization. Participation of Roma both in elected office, and civil service positions is extremely low. Consultation with Roma – both at the national and local levels – on formulation of policies and actions that affect them is equally limited, or, at best, *ad hoc*, depending on the personality and openness of particular individuals with decision making authority. Many Roma respondents noted that heads of political parties will promise to respond to the needs of the Roma, but the underlying motive is to secure Roma votes for a specific election rather than actually incorporate the Roma as part of its core constituency.

At the same time, given the intra-communal disparities in political orientation and needs, interfacing with the Roma has been extremely difficult for Bulgarian politicians. Roma lack the skills and resources to organize themselves into a formidable voice. Much of the assistance they receive comes in the form of social assistance and humanitarian aid, rather than in terms of practical skills that enable them to take ownership of their own developmental process. There is no strategy for dealing with this issue. NGOs and politicians complain that they simply do not have the resources to develop multiple Roma parties, and expect them to demonstrate some flexibility among their ranks if they are to begin interfacing within a representational system of government.

The participation of the Bulgarian Turkish community in the processes and structures of government is in stark contrast to the exclusion of Roma. The Movement for Rights and Freedoms (MRF) has played an important role in creating a voice for the Turkish community, mitigating some fears and tensions about being excluded from government, especially after the events of the 1980s. Indeed, the MRF has grown into a significant political force in the country, and, according to some analysts, represents the only stable (even if hierarchical) political party in Bulgaria. Many people – Bulgarians and Turks alike – attribute the easing of tensions following the high tensions of the 1980s to the MRF.

The MRF is one of the major political parties in Bulgaria. It is the model by which Bulgaria avoids ethnic conflict. (Political Analyst, Sofia)

The Movement for Rights and Freedoms played a positive role in defending ethnic peace in Bulgaria. It is one of the leading parties in Bulgaria and even internationally it is well respected. (Electrician of Turkish origin, Kardjali)

The ability of the MRF to defuse and prevent ethnic conflict in Bulgaria is due, in part, to the fact that key Turkish leaders, and Ahmed Dogan in particular, have realized that needs and concerns must be addressed through participatory measures that do not create nationalist sentiments among the majority. Dogan has presented the MRF not as a purely ethnically based party, but as a political party on the centrist-liberal part of the political spectrum, willing and able to engage with a range of issues beyond the immediate concerns of the Turkish population. Such moderation, coupled with the important balancing role the MRF plays in a divided and polarized political landscape has allowed it to have a significant voice in policy making as well as to make advances in placing Turks in government institutions.

iii. Exclusion of Key Organizations and Third Sector

Organizations and institutions representing sub-groups of the population have been excluded from participating in government and policy development or have faced great challenges in getting a seat at appropriate policy forums to voice interests and needs. Namely, this pertains to trade unions, the NGO community, and professional groups.

While a number of such bodies, as the Trilateral Commission for tripartite negotiations between the government, private enterprises, and labor exist for purposes of cross-sectoral engagement, the commission functions more in theory than in practice. Over the past few years, the trade unions have gained entrance to key policy-making forums on such issues as pension and health reform and unemployment privileges that have had an immediate impact on the labor force and important ramifications for future bargaining processes. However, the Commission itself is considered another corrupt entity for interest-based negotiations between members of all three groups, rather than a true agent for policy development and reform.

Similarly, doctor associations have felt excluded from the debates on national health reform, despite being the primary caregivers in the healthcare system and the ones most affected by the major changes in healthcare planned by the government. As a professional group on the verge of massive downsizing within the public healthcare system, medical staff feels “disenfranchised” from the very process that will determine its income levels, role and responsibilities, and impact its professional status on a societal level. While negotiations have been ongoing between the Ministry of Health,

the National Health Insurance Fund, and the Doctors Union, the union feels limited in its capacity to impact policy-making vis-a-vis the other parties.

In terms of social policy, labor, education, health, and ethno-cultural issues and a multitude of other fields, the NGO community could be an important player and asset to the government for it can supplement, complement, and support the role of the state. However, the third sector is treated as would be a political entity, considered not as a partner but as a potential challenge to the power and authority of the government. Similar to the reluctance of the central government to share control with municipal bodies, so it is hesitant to engage the third sector to discuss potential opportunities for collaboration in meeting gaps that state resources cannot address. While the public and local NGOs themselves widely recognize the need for greater coordination, the question of implementation requires overcoming attitudes, and gaps in capacity and skill levels for mobilizing effective participation.

b. Weak Civil Society

The indifferent, if not hostile, attitude of government institutions is matched by the limited capacity of civil society for effective participation. Civil society still remains weak and unable to play the mobilizing and advocacy role needed to put issues on the policy agenda and negotiate effectively with the government.

i. Popular Attitudes Concerning Participation and Conceptions of the Citizen's Relationship to Government

Bulgarians tend to hold their politicians accountable for the failings of their system, but decline responsibility for resolving them. Decades of communist rule, in which the state was the sole and absolute authority, prevented people from thinking in terms of collective action, and almost conditioned them to think in terms of the individual. While the government is undergoing democratization, both political leaders and the public must rethink their roles and responsibilities. Ironically, Bulgarians have not responded to the opportunity to engage in the reform process. The overwhelming nature of the problems involved in systemic reform, coupled with such obstacles as corruption, have seemed to have an immobilizing effect on Bulgarian citizens rather than evoking activism.

It would be an over simplification to say that Bulgarians do not desire to participate in meaningful democratic processes. The problem seems to lie much deeper. Many respondents noted that the Bulgarian public is virtually passive about changing their situation, but not without reason. History indicates that Bulgaria had one of the strongest ties to the Soviet Union by comparison to its fellow communist bloc countries. The absolute control of the Communist Party was quite unparalleled, if contrasted with such countries as Poland, Czechoslovakia, and Hungary. Bulgaria lacks a history of protest movements, civic activists, or challenges to the authority of the state and the Soviet Union.

Only after 1989 did Bulgaria really experience protests, led predominantly by labor unions and/or their equivalents. However, these movements have been absorbed by the current political system and the initial "lessons learned" of the early 1990s were not harnessed within organizations that could claim true independence from special interests

and corrupt practices. In time, such catalyzing forces have waned, replaced by small-scale protests that are isolated and generally initiated by “special interest” groups in response to specific policy changes or price hikes, rather than larger-scale movements for reform.

*The most serious concern for Bulgaria is the absence of tradition
in creating confidence among people.*

-- Member of Parliament

Certain groups appear to have a greater capacity for mobilization – including student activist groups, public transport workers, trade unions and industrial workers. Trade unions and student groups were catalysts of political crises and transformations. In recent years, with the shift to more socio-economic types of conflict, activism generally occurs when a target group, such as taxi drivers or shipyard workers, anticipates significant changes in its standard of living. This activism is neither systematic, sustained nor directed at changing underlying policies.

At present, there is little cohesive action or energy among the public ranks for action that addresses policy level and institutional changes. There is a substantial gap in terms of linking small-scale issue-specific protests with larger-scale organized activities that seek fundamental institutional reforms.

There is a virtual sense of despair about the inability to bring about change and a feeling of futility for attempting to induce government responsiveness to public opinion and needs. However, public demonstrations of discontent, through protest votes and bi-annual turnover of governments, are clearly insufficient to engender the substantive responses desired of the leadership.

At the same time, Bulgarians have high expectations about the nature and pace of reforms that the political elite should implement, and they are rising as the conditions in post-1989 Bulgaria worsen over time. Generally, successive governments have failed to realize reforms that have significantly impacted the daily lives of citizens. Reform packages that have made an impact, such as the response to the 1997 crisis, tend to correct the failings of the previous government rather than realize real institutional and legislative or regulatory reform that encourages foreign investment or stimulates domestic productivity. Each passing government’s demonstrated lack of responsibility and accountability for its inability to move reform forward in significant ways has, in turn, alienated the public.

This “protest method” is due, in part, to the lack of understanding that the Bulgarian population has with respect to its own ability and right to demand reform. A remnant of communism is a virtual deference to the state and authorities, and continues to be reinforced by virtue of how politicians and the public bureaucracy interact with citizens. Ironically, despite increasing public dissatisfaction with the central authorities, the government is still seen as the guarantor of the social safety net and other public needs, and by default, primarily responsible for initiating and achieving reform. While trust in the government has waned significantly and its record for delivering reforms is poor, expectations have remained the same, if not increased.

While people will cite the need for the third sector to become involved in governance matters, individuals do not see themselves engaged personally in the active process of developing a real civil society. Unfortunately, there is little public recognition of the fact that electoral patterns do not translate into policy-making, and that the complexities of managing post-communist transitions involve many actors and institutions. The critical piece is the lack of public self-awareness as to its own responsibilities that flows from lack of experience and knowledge about the appropriate tools and mechanisms for participating in democratic systems. Civic accountability is linked to the lack of skills and understanding of processes that elicit responsiveness from politicians.

ii. Development of Civil Society

Respondents consistently identified the need for the further development of civil society, recognizing that the communist system has left them ill-prepared to organize around issues and make demands for fulfillment of campaign pledges and resolution of public grievances. Bulgarians lack the important organizational and advocacy skills necessary to pressure the government and public officials to become accountable for fulfilling the duties and responsibilities entrusted to them.

The NGO sector has only begun to think about engaging with government to advocate for serious reforms. This is due, in part, to the fact that the NGO community functions more like small businesses than grassroots or elite mobilizers, and, to some extent, appear to have developed the reputation of being subject to corruption as well. Although individuals rarely see themselves as the catalysts for change, many do see the civil society sector as nothing more than small-scale businesses surviving on foreign donations that have fallen to the trappings of corruption as well. More often than not, NGOs implement small projects because they are supported by international donors, rather than acting as real grassroots mobilization agents. Cooperation and coordination among NGOs is not common (Coalition 2000 is a major exception), leaving a fragmented and dissonant NGO voice vis-à-vis government policies on major issues. Finally, there seems to be apathy about the value of becoming involved in an NGO, being that the government so rarely engages the third sector. Albeit the recognized need to “educate” the government about the benefit of coordinating with NGOs, people seem immobilized by the unlikely prospects of effecting any change.

Since there has been such a lack of governance capacity, it is not surprising to find that there is also a dearth of conflict management capacity. New bodies or agencies that have been recently developed purposefully to fill this gap are a product of foreign intervention, rather than an outgrowth of traditional Bulgarian practices or social capital. Moreover, local NGOs exhibit little if no effort to coordinate resources and efforts toward achieving similar or like-minded goals and projects. Since each sees the other as a competitor for potential funding, the NGO community has lost a multitude of opportunities to produce significantly more meaningful outcomes for the communities they service.

c. Governance

i. Institutional Mechanisms for Conflict Resolution

Judiciary

The judiciary is among one of the most discredited government institutions in Bulgaria. Public trust in the judiciary and prosecutors consistently ranks lowest among all the government institutions in surveys conducted for the *Early Warning Report*. The judicial system suffers from both structural and capacity-based obstacles to performing its role as an impartial, efficient and accessible arbiter of disputes and of the rule of law.

The judiciary does not have the necessary regulations and legislation (i.e. human rights law, control of and protection for foreign investments, bankruptcy, etc.) to respond to the real issues of justice and jurisprudence confronting Bulgaria. The ability of the judiciary is further hampered by its lack of exposure to and practice with necessary and relevant legal codes, the lack of procedural guarantees and protection of basic rights, and its diminishing credibility. Awareness of and capacity to apply appropriate standards and procedures is not sufficient. The judiciary also suffers from structural obstacles to its ability to act independently. In relation to other government agencies and institutions, and in particular the prosecution and investigators, there are no clear definitions about its role and responsibilities vis-à-vis other bodies, and there are limited mechanisms for preventing political interference in judicial matters. In addition to protecting its independence, the judicial system lacks a method of “checks and balances” by which other government bodies can be investigated for violations and abuse of power.

There is concern that reforms might turn the judiciary into an extension of the government, but to strengthen it as an independent body that protects a vast array of rights and guarantees their enforcement. Magistrates must be trained to understand that their authority comes from being an independent and effective branch. Current practices, such as magistrate immunity from prosecution and nepotism through political pressure and administrative sanctions, diminish the power and reputation of the entire judicial system. This is particularly crucial for cases of discrimination, since the absence of rights-based prosecutions and lack of enforcement mechanisms allow for other kinds of conflicts to develop.

With respect to the police, although the current head of the police enjoys a great degree of personal confidence from the public, control over the police and security forces is a troubling matter in and of itself. Shrouded in self-protection from public scrutiny and often used as an arm of the state, the police enjoys relatively little curb on its authority other than by politicians. Unfortunately, power is often abused, particularly with respect to ethnic groups, especially in terms of the violation of procedural and legal rights. At times, the police may be restrained purposefully from responding to ethnic protests, so as to remove the state of any culpability for escalating tensions. However, police have much free rein responding to criminal activities, particularly with regard to the Roma.

The fact that people have no confidence that their rights will be protected has multiple effects. First, it eliminates any disincentives for criminal activity, raising the potential incidence rate of corruption and increasing the burden that it imposes on the system. Second, it contributes to the psychological toll and despair people already experience from the stresses of daily life. Third, given the Roma reputation for criminal behavior, immunity only serves to aggravate tensions, intensify negative stereotypes, and diminish Bulgarian sympathies for their poor conditions.

It has also, in turn, prompted regular citizens to “take the law into their own hands” and mete out punishment, predominantly targeting the Roma, when it appears evident that the courts will be unable to process a case in a reasonable amount of time. In such cases, the inability of the courts to redress grievances also aggravates the Roma community, given that they are often victim to discrimination, human rights violations, and procedural injustices at the hands of the police or cooperating authorities.

Moreover, there are no alternative dispute resolution (ADR) mechanisms available for parties interested in side-stepping a long, bureaucratic process without guarantees of a just outcome. Only recently have some donors begun investing in the establishment of a more formal ADR branch of the judiciary and an ombudsman office within the government.

Forums for Dialogue within the Government and with the Public

While lack of coordination among ministries and confrontations among political parties is not an unusual phenomenon in many democracies, in Bulgaria it is noted that the political will, processes and skills/capacities for effective dialogue and consensus building are lacking. This prevents the government from developing a vision for development and developing consensus on policies to address the major social and economic problems in Bulgaria.

Lack of Consensus Building Capacity in Government

There are no ambitions for compromises in important national issues' settlement. No one must stick to his institutional interests when national interests are under questions....Instead of constructive approach towards problems as a basis for problem solution there are usually attempts at artificial tension creation. It is expressed mainly in mutual blaming, criticisms, and looking for guilty. It causes that problems stay unsolved and get more serious. (Deputy Minister, Sofia)

I don't see anybody, who does anything in helping of controversial issues settlement. I wouldn't say that somebody has obstructed the conflict settlement, but in fact there is no one, who does something to solve it. (Unemployed woman, Ruse)

In recent years, various forums have been developed to begin engaging the government in dialogue with key target groups in the population: such as the Trilateral

Commission for trade unions, the National Council for Ethnic and Demographic Issues, the National Association for Municipalities for local public officials, and national funds on labor conditions, insurance, and social investment. An Ombudsman office is also being created at the instigation of the European Union. These bodies have the potential to provide forums for real dialogue, but suffer from two drawbacks. The first is that, with the exception perhaps of the trade unions, these bodies have not been functional. They lack staff and resources, their mandates are broad, and neither the government nor participants in these institutional processes have developed a strategy or vision for the process.

Moreover, again with the possible exception of the trade unions, these forums have not been taken seriously; even if they produce something, it is not clear what government action will follow. Government unwillingness and incapacity – at the national, regional and local levels – to engage in genuine dialogue and consultation with citizens were mentioned repeatedly by respondents. The inability of government to communicate effectively with citizens – due to lack of transparency, bureaucracy, lack of commitment, lack of skill and fears of loss of control or power – can be a significant aggravating cause of conflict, as it narrows opportunities for peaceful conciliation of differing interests. This is further aggravated by the fact that such forums are used as a “front” for engaging civil society actors while real decisions are being made elsewhere. The creation of meaningless institutions only further builds upon existing feelings of third sector defeat; the process and power of such bodies is extremely important for cultivating civic participation.

The second weakness is their broad character. While a forum such as the National Council for Ethnic and Demographic Issues might be an appropriate and effective forum for discussion of discrimination and national policy and institutional reform to address the problems facing minorities, it cannot deal with problems at the local level. National forums need to be supplemented with local (municipal and regional) capacity to engage citizens in a participatory process and to negotiate solutions to difficult problems. The Partners Bulgaria Foundation’s USAID-sponsored project in Lom provides an interesting and effective model for building community capacity to engage in dialogue about policy in an effective and meaningful way.

Media

The media has the potential to be an important medium for bridging the gap between the elite and the public, but it will have to gain independence by severing its ties with political and special interests as well as monetary kickbacks. As part of the gray economy, it lacks the credibility of independent reporting and transparency. This distortion of media and its integrity is a missed opportunity for information exchange that can be important for deescalating tension.

ii. Physical Segregation

The common method of ethnic conflict management between communities has appeared to be conflict avoidance through segregation. While this may produce fewer points of friction between ethnic groups, it also severely limits potential channels of

communication, and reinforces isolation of communities from each other. Lack of contact between communities contributes to lack of understanding of their respective conditions and problems, cultures, and experiences, with the consequence of reinforcing negative stereotypes, dehumanization and confrontational methods of interaction.

How are we supposed to engage these Roma? We do not have a single Roma residing in our municipality, only seasonal workers who come for the summer and who then leaves....

-- Turk, Djebel

Isolationism is particularly acute for the ethnic Roma who have been pushed into compact pockets on the outskirts of cities and towns. The impact of such informal but habitual segregation of communities offers no model for integrated living, feeds exclusionary stereotyping, distances the minority group from access to basic public services and municipal officials, and contributes to the continued marginalization of the minority population.

iii. Crisis Negotiations Replaces Policy Formulation

Over the past years, the government has exhibited a pattern of dealing with conflict situations through crisis response. It generally avoids addressing a developing problem in its early stages, ignoring the telltale signs of building discontent until just before the situation becomes explosive. At this critical juncture, appeasement becomes the operative approach for deescalating tension, rather than a problem-solving tactic for determining the underlying causes and brainstorming potential responses. This ad hoc approach to controlling conflicts actually magnifies the problem over time, as the conflict goes through a repeating life cycle that becomes shorter and more intensive with each successive round. Thus, the appeasement tactic becomes harder and harder to apply because it is less and less attractive to the parties involved.

Moreover, this means of crisis management has placed the municipalities in very difficult positions, without real authority or resources to address the real problems underscoring the conflict. For example, municipal leaders develop short-term projects for Roma communities that tackle the effects, rather than the causes of Roma marginalization in a sustainable way. Instead of using funding for short-term contract hires, local authorities would do better to invest money in infrastructure and longer-term vocational skill development.

Crisis negotiations stems from the fact that the public and constituency sub-groups are not seen as effective partners for managing problem issues, and both central and local authorities would benefit from such conflict resolution training programs being offered by Partners for Democratic Change. The public is disaffected not only by its current exclusion from decision-making processes, but the officials' ad hoc approach that

perpetuates problems by addressing them at a temporary superficial level and, in turn, drains valuable resources from the system as a whole.

3. Main Trends and Conclusions

In the course of addressing structural problems, the process of reform and the factors that define that process can induce conflict between sub-groups of society, particularly those experiencing socio-economic inequalities. In the case of Bulgaria, the contributing factors to conflict include policies related to economic restructuring and financial management, social policy reform, especially regarding social assistance and unemployment, and governance issues related to decentralization.

Economic policies have developed amidst formidable political conflicts and in response to external, influential actors as the International Monetary Fund and the World Bank. In the process of transitioning toward a market economy through massive privatization efforts, a significant portion of the population has suffered from long-term unemployment while a select group of individuals profited from the “redistribution” of property from the state to the private sector. In the meantime, economic and financial management policies that would secure public and foreign confidence in its economic development, as well as attract foreign direct investment, have been slowly introduced or not yet implemented. The absence of strategic plans for alleviating the significant economic problems facing the country has caused substantial public dissatisfaction with the government and an overall lack of trust and confidence.

However, while fiscal responsibility and macro-economic stimuli lies predominantly with the central authorities, the central government has been slow to incorporate the municipalities in its approaches for economic stabilization. The government remains a centralized system that is only now beginning to really begin reforming under the instigation and duress of international agencies and donors. The lack of independent decision-making authority at the local level has contributed to the difficulties local leaders face in meeting constituent needs effectively and perpetuated the ad hoc nature of government response to “crisis” situations, as long-term strategies and plans are not being developed to address the causes of problems.

However, decentralization is only part of a larger problem related to civic participation in government. The population has been estranged from its own political process, and forums that do exist for dialogue between the government and the public are limited and lacking in resources and influence to initiate meaningful programs and activities. Bloated bureaucracies and ineffective, inefficient social service delivery from various state institutions increase people’s feeling of vulnerability.

The existing lack of trust and confidence in government is augmented by the sense of public exclusion from political process. Civil society is weak in Bulgaria, and discouraged by current exclusionary practices against key organizations of the third sector and vulnerable minority groups such as the Roma. Alienation is reinforced by the lack of conflict management and conflict resolution mechanisms, and through approaches that perpetuate segregation between communities and their respective marginalization.

VI. FACTORS THAT HAVE PREVENTED OUTBREAK OF CONFLICT IN BULGARIA TO DATE

Many of the mitigating factors easing conditions for and escalation of conflict have been mentioned in the discussions of the vulnerable groups, conflict actors and root causes of conflict above. Following is a brief summary of the main factors we have identified.

1. Cultural Capital

Despite increasing domestic tensions between different popular sub-groups, the Bulgarians have an important cultural asset for mitigating conflicts. The Bulgarian self-image of tolerance and resistance to nationalist sentiments, either domestically or from external influences, are important bases from which to begin developing more formalized mechanisms for managing tensions. While current inter-ethnic co-existence has been based on separation, this approach also reflects a powerful tendency to avoid conflict that can be channeled toward mechanisms that facilitate integration at a systemic level, particularly in regard to social, economic, and other macro-level problems. The current relationship between ethnic Bulgarians and ethnic Turks communities is based upon limited contact, but the MRF and political parties of the majority have learned to work together to accomplish their respective and shared goals.

2. Lack of Nationalist Expression

a. Lack of Nationalist Leaders

While the emergence of NSM II appeared to be a rallying point for nationalist-minded Bulgarians, appealing to a more conservative element of the population, it failed to gain significant support and remained a populist movement. Bulgaria has observed its Balkans neighbors, and would fervently resist falling into the same trappings of nationalism that brought crisis to the states of the former Yugoslavia.

Bulgarians' identification of their culture with tolerance and co-existence naturally leads to limited support for nationalist "ethnic entrepreneurs" such as those seen in ex-Yugoslavia. While Bulgaria has isolated pockets of nationalist activity that have tried to influence political developments but, to date, have proven inconsequential. The VMRO, predominantly ethnic Macedonian political party based out of the southwest region near the Macedonia a border, has attempted to secure enough votes to qualify for a seat in parliament but the likelihood of such a movement continuing to gain strength is slim, especially if the Tetovo-based conflict in Macedonia calms down. There are also isolated pockets of skinhead activity, but yet again, they do not form a critical mass nor show signs of evolving into a real movement with any momentum. The general Bulgarian public rejects such people and does not consider such small groups as serious threats but symbols of socio-economic problems.

b. Role of MRF

The role of the MRF in preserving peaceful relations between the Turkish minority and the government and Bulgarian majority has already been discussed. As a high-level municipal official from Gotze Delchev noted:

[An] important factor that guarantees the stability of inter-ethnic relations is the MRF, which managed to establish itself in the social and political life as a Bulgarian party, guaranteeing the participation and integration of Muslims in the settlement of our serious common problems. An important factor for ethnic peace is the loyal and moderate policy established by MRF local leaders, especially in the villages where the big majority of the population is Muslim. They stand as genuine Bulgarian politicians, having the necessary responsibility and understanding.

It has taken a leadership role in ensuring that recent Turkish experience in Bulgaria did not fuel nationalist sentiments, but rather were channeled toward participation in existing political structures. Although Dogan is politically realistic and strategic about achieving greater representation in central and local government, the MRF's efforts to do so really began in the mid-1990s when Turkey's own economy began exhibiting signs of recession and could not be considered a reliable means of support. Hence, he capitalized on key moments to secure the Turkish population a representative voice in Parliament, but remained tentative about political alliances so as to prevent the rebirth of any anti-Turkish nationalism from any particular sub-group within the Bulgarian population.

3. Role of Turkish Government

The Turkish government has been a valuable influence on the reestablishment of peaceful relations between Bulgarians and Turks, refraining from inciting nationalist or irredentist movements in the western, Turkish-populated regions of Bulgaria. While Turks often migrate to Turkey for short periods, sending remittances to relatives in Bulgaria, Turkey is actually interested in restraining such inflows of cheap labor. Instead, both governments have taken avid strides to affirm a cooperative diplomatic relations and continue to look for opportunities to strengthen cross-border cooperation. Given Turkey's recent economic problems and its other ongoing geo-political concerns, it values having a peaceful neighbor rather than a diplomatic tension.

4. Lack of Religious Influence

While ethnic or cultural based conflicts can be strongly affected by religion and confessional leaders, the religious communities remain disengaged from the political stage. While the Orthodox synod is currently divided within and agitated by the proselytizing nature of Protestant churches operating in Bulgaria, each religious community has maintained minimal contact. Some confessions provide social services to the needy, and these services remain strictly humanitarian in nature. Since 1989 the

leading muftis of the Muslim faith have led the effort to rebuild the mosques and schools destroyed during the expulsion, but have not expanded their activities beyond these initial initiatives. At the same time, there is limited initiative on the part of the Orthodox church in particular to promote ethnic reconciliation or to help deal with the socio-economic problems of poor people in Bulgaria. Efforts tend to be isolated and dependent on the individual initiative of a priest.

The Islamic leadership has maintained a relatively low profile, functioning more as a source of religious and cultural cohesion for the Turkish community, rather than a political mobilizing force. It has worked to open religious schools for instruction in Turkish and as centers for sustaining cultural identity and awareness, but refrains from becoming central in community life, even in terms of humanitarian assistance.

Christian groups are also prevalent, and have played much more of an active role in communities, given the missionary tendencies of most Christian faiths. There may be “territorial tensions” between the respective faiths, as some Christian denominations, notably Protestants, are prone to proselytizing practices that prove particularly problematic for the Orthodox Church.

5. Role of International Donors

The EU and foreign donors have been instrumental in establishing forums for conflict management, including community action-planning initiatives that are training core groups of citizens to become community mobilizers and begin changing the dialogue between municipal leaders and their constituents. These efforts have been very successful in gathering participants from across different sub-groups of society and professional backgrounds as a foundation for developing real civil society.

However, the government’s tendency to inflate public expectations about Bulgarian prospects accession and integration into the EU will most likely reinforce negative psychological impacts of current socio-economic problems, but also cause another round of political conflicts. Thus, international donor assistance targeted at capacity-building – at the grassroots, municipal, and central levels – will prove all the more essential for stemming future conflicts.

6. Inability of Public or Sub-Groups to Mobilize

Bulgarians, whether as individuals or sub-groups with specific grievances, have had difficulty arranging themselves into formidable organizations that can interface with the government or other communities. Previous protest movements, begun by the unions in the early 1990s, have dissipated into isolated protests by specific sub-groups that seek shorter-term recourse on narrow issues. Even industrial sub-groups, such as transportation workers or the atomic power plant, do not organize cohesive protest action.

Ironically, protest action is perceived to produce limited results and entails potential employment risks; however, lack of results is attributed to the activity, rather than methods by which the activity is orchestrated. The lack of solidarity among sub-

groups has prevented large-scale movements to grow across the country, induced by the fact that many people have adopted a survival mode and mentality that limits the extent to which people will place themselves at personal risk.

The political elite has reinforced this model of survival in its own rhetoric, conveying to the general public a sense of passivity in the face of obstacles rather than activism. Thus, Bulgarians see themselves as part of given, defined communities (i.e. ethnic identity, professional affiliation, etc.) or part of the Balkans and Europe, but have little sense of belonging to the state and, in turn, little motivation to assume responsibility for reforming it. The individualistic approach of Bulgarian society has mutated and had an atomization effect.

7. Psychological Impact

The atomization of society has not been without psychological impact. After years of socio-economic decline and little prospect for future development, people have become worn out by the stresses of daily life. Long-term unemployment, impoverishment, and lack of opportunity, especially for young people, have caused a kind of social implosion wherein one might expect an explosive effect. This implosion is reflected in the increasing trends for self-destruction through substance abuse and depression. The sense of powerlessness and hopelessness has had a notable debilitating effect on people that has found expression in passivity with respect civic participation in the reform process.

¹³ See *Social Stratification in Bulgaria*, Social-democratic Institute, Friedrich Ebert Foundation, LIK, Sofia, 2000

¹⁴ The extreme nationalistic groups that do exist, such as the Macedonian VMRO, and some of the “skinhead” groups that have emerged in Sofia in recent years, are marginal, and have failed to command any significant popular support.

VII. PROPOSED MONITORING INDICATORS

Identifying indicators to monitor continuing vulnerability to conflict in Bulgaria is difficult, as they are unable to depict a full picture of a potential conflict situation. None of the causes *alone* is necessarily sufficient to produce overt conflict, but simultaneous and/or linked deterioration in several of the areas identified as causes above could lead to serious escalation of conflict.

The indicators proposed below for ongoing analysis of conflict in Bulgaria are based on the comprehensive, and well-tested, list of main indicators utilized in the Early Warning Reports (prepared by CSD for UNDP with the support of USAID). Our findings suggested that these indicators correspond fairly well to the root causes and proximate causes we identified through the interviews and other research, and the trends that could be identified by monitoring the indicators fairly accurately predicted conflict trends.

Several additional indicators have been added to reflect underlying root (structural) or proximate causes of conflict identified during this assessment. We added several indicators reflecting the causes we identified and thought would need tracking:

- Access to education
- Access to credit
- Governance/channels for participation and perceived exclusion
- Discrimination against specific social groups
- Distrust and lack of communication -- ethnic distance, media portrayal, forums for communication
- Effectiveness of law enforcement and judicial systems
- Strength of civil society

It is suggested that a qualitative (holistic) and quantitative analysis of the basic areas of conflict be undertaken: a) ethnic tensions (Roma, Turks); b) industrial conflict (involving trade unions-private sector-government); and c) social/political tensions (generalized – led by highly educated groups such as students – protest against the government (similar to 1997). It is suggested that conflict events (e.g., protests, strikes or threats to strike) be monitored over time to identify patterns from frequency, causes and triggers, level of escalation. In addition, it is suggested that the following more quantitative indicators be monitored to identify trends in underlying and proximate causes of conflict in general, and that the impact of these trends in these three areas be analyzed.

A. Socio-Economic Indicators

Poverty and lack of social and economic opportunities are underlying structural causes of conflict. These create general conditions of scarcity that can lead to competition, and conflict, among groups (especially identity groups, such as Roma, Turks, Pomaks, Bulgarians). When socio-economic inequalities among these groups are present and increasing, conditions for conflict among identity groups become worse.

Socio-economic indicators are designed to measure the degree to which the country's major social groups (by education, by ethnicity, financial status of households) live at different standards of living, especially regarding basic needs such as food, housing, jobs, health services and education. To what degree do some groups (e.g., Roma, Turks) bear a larger share of the burden of economic restructuring and modernization of the economy relative to the population at large? To what extent are identifiable groups consistently denied access to goods and services in comparison to other groups, which are perceived as privileged? To what extent is the government perceived to be willing (or not) or able to address inequalities or to offset the negative impact of economic stresses?

1. **Income Levels.** These indicators are designed to reflect people's ability to meet basic needs, and perceived or real differences in ability to meet basic needs.
 - a. Nominal income levels
 - b. Consumer Price Index
 - c. Reported household income per capita
 - d. Household income per capita by social group:
 - education
 - place of residence
 - ethnic group
 - financial status of households
 - e. Income stratification by decile groups (income inequality)
 - f. Income expectations

2. **Unemployment.** These indicators are designed to detect inequalities in the ability of different groups to provide consistently and in a stable way for their basic needs. To the extent unemployment is concentrated in certain groups, it is also an indicator of marginalization and potential ghettoization of groups.
 - a. Indicators for level and structure of unemployment
 - number of unemployed
 - level of unemployment in public and private sectors
 - structure of unemployment (number by gender, age, ethnic group, length of unemployment)
 - number of long-term unemployed
 - b. Economic opportunities
 - job vacancies announced by labor offices
 - number of referrals and placements (by social group)
 - amount and structure of costs of the Vocational Training and Unemployment Fund
 - degree of readiness and motivation for employment, including territorial mobility

3. **Access to Education.** Education was identified as one of the keys to combatting unemployment, especially among minorities, and consequently, one of the key causes of and solutions for increasing marginalization of minority communities.
 - a. School attendance of minority children at various levels (primary, secondary, university), including structural breakdown according to age, gender for ethnic Bulgarians and minorities
 - Number of school drop-outs (by ethnic groups and regions)
 - b. Numbers of minority teachers or education staff employed in schools

- c. Costs related to education (textbooks, school bags, etc.)

4. Access to and perceived quality of healthcare

- a. Breakdown of healthcare provision (or other factor) by age, gender, socio-economic group, minorities, etc.
- b. Number of children without obligatory immunizations

5. Access to credit. To what extent do disadvantaged groups have access to resources (in addition to education) that enable them to provide for their families and improve living conditions?

- a. share of credits to number of operating firms
- b. size of credits
- c. number and ownership of private companies (especially SMEs)

B. Governance Indicators

These indicators are related to the quality of governance, in particular, the perceived level of democracy (representation within government, as well as opportunity for disadvantaged groups to participate and have a voice in determining policies that affect them) and the perceived willingness and ability of government to address the underlying problems (poverty, employment, social services, etc.) of the people?

1. Channels for participation/perceived exclusion. To what extent do vulnerable groups (ethnic minorities, youth, women, labor, pensioners, students, etc.) have channels to participate in government? To what extent is the government elite exclusive? To what extent are channels for marginalized communities to participate in political life limited? To what extent are government structures and processes for decision making non-transparent? To the extent that specific social groups are excluded consistently from participation in governance (either through participation in government, or through inclusive, consensus-based policy making procedures that consult them), AND they are able to become organized and mobilize support outside the system, conflict becomes more likely.

- a. Appointments of minorities in public agencies – at the national level, regional level and municipal level
 - numbers and distribution of high level positions
- b. Strength and organization of ethnically-based political parties (MRF, current and future Roma parties, rightist-nationalist Bulgarian or Macedonian parties)
 - Electoral strength
 - Coalition patterns
- c. Perceptions of exclusivity and responsiveness of government
- d. Degree of freedom of the regime in terms of
 - political activities
 - business activities
 - religious activities
 - political opponents

2. Perceived legitimacy of government. To what extent are patterns emerging that reflect citizens' alienation from the state? To the extent that respect for

government institutions is limited – because public offices are perceived as being managed and distributed to maintain and increase the political power and material wealth of office-holders, because of non-transparency or non-responsiveness, or because of disappointed expectations regarding what the government SHOULD be doing – adherence to institutions may be limited.

- a. Public trust levels in Government institutions
 - Parliament
 - President
 - Government
 - Local government
 - Army
 - Police
 - Prosecution
 - Courts/judges
 - Political parties
 - b. Status and growth of extreme parties
 - c. Perception for the development of the country (optimistic/pessimistic)
 - d. General public readiness to strike against the policies of the government
3. **Discrimination against specific social groups (minorities, age, gender).** This measures the extent to which specific social groups are, and, more importantly, feel excluded from significant opportunities and benefits of society because of their identity, and the availability of means to redress exclusion.
- Perceptions of discrimination in employment, social services
 - Number of human rights and civil rights violations by sub-group
 - Promulgation and implementation of anti-discrimination regulations
- C. *Capacity and Opportunities for Peaceful Conciliation of Interests/Resolution of Disputes*
1. **Distrust and lack of communication and understanding among identity groups**
- a. “Ethnic distance”
 - Prevalence and strength of negative stereotypes
 - Residential segregation
 - Degree of school integration
 - Membership and public support for extremist/nationalist/racist groups (political parties, “skinheads”)
 - b. Media portrayal of minorities (does the media reinforce stereotypes?)
 - c. Existence and effectiveness (perceived) of forums for communication and problem-solving among social groups
 - National Council for Ethnic and Demographic
 - Government-Management-Syndicate Negotiation Forums

2. **Effectiveness of law enforcement and judicial systems.** This element is addressed in the section on legitimacy, but the trust in the judicial system and its effectiveness and use are significant indicators of a society's capacity for conflict resolution, as the judicial system is one of the main institutions dedicated to conciliation of interests/disputes
 - a. Trust in police, prosecution, courts
 - b. Law application and enforcement by judicial and security forces: number of corruption cases brought to court vs. number of convicted for corruption
 - c. Access of minorities and other vulnerable groups to courts
 - d. Length of process
 - e. Satisfaction with outcomes
 - f. Level of "vigilantism" – extent to which citizens are "taking the law into their own hands"
3. **Personal Security.** While issues of crime are not a direct cause of social conflict, personal insecurity may create an underlying vulnerability to extremist, nationalist ideologies and prejudices against minority groups.
 - a. Monthly data of Registered crimes – police statistics (breakdown by type and sub-group of offender)
 - b. Monthly cumulative index – "victims of crime" (to take account of unregistered crimes)
 - c. "Stolen Property Market Size"
 - d. "Police Assistance Demand Indicator" – frequency of citizen requests for police assistance
 - e. Incidence of "vigilantism" – citizens taking law into their own hands
 - f. Perceptions of causes and sources of crime
4. **Strength of civil society.** This set of indicators monitors the strength and number of non-state entities addressing widely shared public problems, such as civil and political rights, discrimination, education, health, etc. If non-governmental organizations depend on government agencies, or reflect agendas of political parties, or are created and maintained in order to access donor money and fulfill donor agendas, or if they are concentrated in the cities, or have non-democratic internal structures, they are less likely to play a constructive role in "mediating" between the citizenry and government, as well as play an integrative social role.
 - a. Number of people participating in political parties
 - b. NGO activity
 - number of NGOs
 - number of people engaged in NGO activities
 - project activities and populations and regions serviced (by sub-group and region)
 - level and sources of funding for NGOs
 - project duration
 - duration of NGO activities/organizations

APPENDIX 1. LIST OF COMPLETED INTERVIEWS

<i>SOFIA</i>		
<i>Parliament</i>		
1	Dimitar Abadjiev	UDF, deputy-leader of UDF
2	Ivo Atanasov	BSP, Member of the Supreme Party Council
3	Miroslav Sevlievski	NDSV
4	Georgi Bojilov	BSP
5	Valcho Valchev	Youth Agrarian Union
6	Krastio Petkov	Leader of the United Labor Block
<i>Government</i>		
1	Belin Molov	Deputy-minister at the Ministry of Regional Development
2	Sofia Kasidova	Deputy-minister at the Ministry of Economy
3	Lily Stoyanova	Member of the Commission for protection of the competition
4	Dimitar Kantardjiev	Executive director of the Agency for environment and waters
5	Emil Vapirev	Committee on the use of Atomic energy for peaceful purposes
<i>President office</i>		
1	Nikolai Genov	President's advisor for the Social Issues
2	Veselin Minchev	President's advisor for Economic Issues
<i>Journalists</i>		
1	Boiko Vasilev	Bulgarian National Television, leading journalist of "Panorama"
2	Ivo Indjev	bTV, political analyst, "V desyatkata"
3	Georgi Koritarov	RFE
4	Viza Nedialkova	Radio Net
5	Petar Volgin	BNR
6	Jura Shishkova	"Delova sedmitza" newspaper for finance and accountancy

¹⁶ The pattern is of accession to power of a new government, followed by unmet public expectations, political crisis triggered by dramatic economic or social events, and a protest vote that brings in new political leadership.

¹⁷ For an analysis and guidelines for project designers on whether and when to implement ADR programs in the context of rule of law assistance, and the limitations of ADR programs, see Brown, Cervenak, and Fairman (CMG), *Alternative Dispute Resolution Practitioners Guide*, Center for Democracy and Governance, USAID (1998).

NGO		
1.	Mihail Georgiev	President of Romani Bah Foundation
2.	Georgi Shopov	President of Club “Ikonomika 2000”
3.	Genoveva Tisheva	Executive director of Bulgarian Gender Foundation
4.	Vasil Ynachkov	President of “Metalitzi” Trade Union Federation
5.	Bozidar Mitev	Member of the National federation of employed in the energy sector
6.	Lyli Kovacheva	President of Women Roma Movement
7.	Maria Prohaska	Project director of the Center for Economic Development
8.	Jivka Damianova	Coalition 2000 – Project coordinator
9.	Petar Trichkov	Bulgarian Red Cross – Chief of Social activities department
10.	Roumen Avramov	Center for Liberal Strategies - expert
International organizations		
1	Tanya Shumkova	UNDP – Project coordinator
2	Boryana Gocheva	The World Bank – Social Sector Project Officer
3	Plamen Dimitrov	Program DemNet – Project director
Public Sector		
1	Petya Daskalova	Director of 54 school “St. Ivan Rilski”
2	Yordan Hristoskov	Director of National Social Insurance Institute
3	Ivan Chakarov	Ex-official from the Ministry of Education
4	Ilona Tomova	Expert at the Institute for Sociology, President of NGO, Roma expert
5	Ulvie Hodja	Expert at the Institute for Sociology, Turk
6	Yordanka Stancheva	Director of Technical School for Railway transport
Religious organizations		
1	Georgi Penchev	Deputy-director of Eforia Zograf
2	Yosif Levi	Member of the governing board of the Jewish church
3	Ivan Pramatarov	Professor at the faculty of theology of SU ”St.Kliment Ohridski”

Judiciary		
1	Neli Kutzkova	Chairwoman of the Sofia City Council, member of the Supreme Judiciary Council, ex-candidate for Vice-president
2	Georgi Dobrev	Lawyer
3	Boyan Stankov	Ex-deputy director of the Institute for criminal investigations, Chief prosecution office
4	Boyko Noev	Ex-minister of Defence
5	Rumen Georgiev	Main State Investigation office, member of the Supreme Judiciary Council

COUNTRY		
Varna		
1.	Darina Dokova	Chief editor at regional TV station Varna
2.	Radoul Kovachev	Administrative director of the International Black Sea club - NGO
3.	Rosen Teodosiev	President of Podkrepa Trade union of the Varna shipyard
4.	Svilen Spasov	President of the board of the directors of the Varna shipyard for the period 1997-1999
5.	Veselin Angelov	President of Hermes Ltd., company-supplier for the Varna shipyard, Private sector
6.	E. Vulev	Ex-director of the Electricity department of the Varna shipyard till 1998
Plovdiv		
1.	Evgeni Todorov	Director and owner of Plovdiv Public TV station
2.	Nikola Yankov	Lawyer at the Police station
3.	Nikolay Popov	Coordinator of the NGO "Educational activities" department of the Center "Education for Democracy"
4.	Svetozar Maznev	Chief expert at Social policy Department at the municipality
5.	Ivanka Gigova	Unemployed
6.	Svetlana Mircheva	Unemployed
7.	Dochka Kostova	Unemployed

<i>Rousse</i>		
1	Blagovesta Yordanova	Teacher
2	Valentina Karadjova	Journalist for the regional TV station Regiana
3	Tatyana Georgieva	Unemployed
4	Valentin Krustev	Official at the Electricity company, the town of Vetovo
5	Dimitar Paskalev	Rom, the town of Vetovo
6	Vasil Tzonev	Rom, the town of Vetovo
7	Beisin Ahmed	Deputy-mayor of Vetovo
<i>Shumen</i>		
1	Svetlana Golemanova	Public relations department at the Electricity company
2	Ismailov	Chief Mufti
3	Velmira Stefanova	Editor at “Shoumenska zarya” newspaper
4	Sashka Mundeve	NGO
5	M.Vurbanova	Public relations at the Municipality of Shoumen
<i>Sliven</i>		
1	Petar Malinov	Association “Project – human rights”, NGO
2	Dr. Manolov	Doctor
3	Lidiya Chakurova	Director “Administration and legal services” department at the municipality
<i>Kozlodui</i>		
1	Maya Zaneva	Deputy-director of the SOS friends association - NGO
2	Krasimira Kuzmanova	Chief expert of “Public relations” at the municipality of Kozloduy
3	Engineer Savcho Savov	Director of a department at APP Kozloduy
4	Engineer Valeri Stoyanov	Specialist at “Contracts realization” department at Enemona Ltd., Private sector
<i>Lom</i>		
1	Maria Gergova	Director of the Social assistance office at the Municipality
2	Natzol Zainov	Priest from the Evangelistic-Baptist church at the Roma district “Mladenovo”
3	Milko Hristov	Director of Human activities department at the Municipality
4	Assen Slavchev	Program director of Roma foundation

<i>Kardjali</i>		
1	Priest Boyan Saruev	Orthodox priest
2	Galya Nasteva	“Public relations” department at the District government of Kurdjali
3	Petar Ivanov	Deputy-editor of “Reporter dnes” newspaper
4	Julia Pavlova	Coordinator for the “Open society” foundation
5	Abdula Shevki	Vice-president of the Higher Muslim Council, Turk
6	Dima Boyadzieva	Leader of Podkrepa Trade Union
7	Nataliya Mihalevska	Director of “Otez Paisii school”, sponsored by EU
8	Jusein Kachanov	Turk
<i>Djebel</i>		
1	Haire Mehmed	Director of Department at the municipality, member of the board of the directors of the Chitalishte of Djebel, member of Tolerance NGO and Bulgarka club
2	Veska Dimitrova	Director of Territory and Environment Development Department
3	Erduan Ali	Tobacco-producer
4	Roumen Tanev	Tobacco-producer, owner of a cafe
5	Sunai Izmail	Director of the Administration department at the municipality
<i>Goce Delchev</i>		
1	Airola Cholak	Pomak
2	Ivan Singartinski	Teacher, Macedonian
3	Boyan Rangelov	Member of IMRO (VMRO)
4	V. Moskov	Mayor

The fieldwork was conducted in the period: 11th February – 22th February. The interviews were distributed as follows:

- Sofia – 46 interviews;
- Outside Sofia – 53 interviews.